



Daily Report

China

FBIS-CHI-91-135
Monday
15 July 1991

Daily Report

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General

Jiang Reportedly To Attend Sep UN Session

HK1407015591 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 14 Jul 91 p 6

[By David Chen]

[Text] The general secretary of the Chinese Communist Party, Mr Jiang Zemin, is expected to attend the General Assembly of the United Nations at its annual session in New York in September, according to sources close to China.

Mr Jiang would visit New York after a three-nation tour of Latin America, the sources said.

It will be the first time a top party leader from China has attended a UN session since Beijing was readmitted to the world body in 1971.

The trip has yet to be finalised and Mr Jiang may visit other cities in the United States. If so, he will be the first top Chinese leader to visit the U.S. since June 4, 1989.

Plans for his visit are being made as China awaits the outcome of a U.S. Senate vote this week on a bill attaching conditions to granting it most favoured nation (MFN) trading status.

Last week, China condemned a House of Representatives vote to attach conditions for MFN approval. However, it is expected the U.S. President, Mr George Bush, who favours granting MFN status to China, will veto any opposition by both houses.

The issue is expected to be resolved by late next month—before Mr Jiang's visit to the UN.

There has been much debate in the Chinese hierarchy over Mr Jiang's planned UN visit, it has been learned. Those who advocate the trip argue it will help boost China's image after the Tiananmen Square incident.

Those who are against the trip argue that Mr Jiang's presence will smack too much of humiliation and acknowledgement of the failure of the socialist system, following the pronounced difficulties encountered by the Soviet Union.

Internal politics was also at play, other sources said.

The Chinese Premier, Mr Li Peng, who is regarded as one of the leaders of the conservative camp, is presently on a tour of the Middle East.

Whatever reservations the Western world still holds for him, he has made political advancements domestically and Mr Jiang's trip will help to counter the conservative gains.

The last time a top Chinese leader visited the U.S. was in May 1989, at the height of the student movement that culminated in the crackdown a few weeks later. The

chairman of the National People's Congress, Mr Wan Li, was touring the U.S. and had to cut short the visit when he was called back, pleading that he had fallen ill.

The most successful visit by a Chinese leader to the U.S. was that of then Vice-Premier Mr Deng Xiaoping, in 1979, within two weeks of which the two countries established diplomatic relations. Mr Deng was enthusiastically welcomed by then-President Mr Jimmy Carter and the public.

The sources cautioned that although Mr Jiang had tentatively scheduled to visit the General Assembly, where he was expected to deliver an address, much depended on political developments both domestically and abroad in the next few weeks.

The possibility of a visit to the UN was first raised by a Seoul radio station, which claimed the party chief would be meeting the South Korean president, Mr No Tae-u, who will also attend the General Assembly. The Korean Broadcasting System claimed the two leaders would be discussing the establishment of diplomatic relations between Beijing and Seoul.

China Appeals for Flood Relief Assistance

HK1207015891 Beijing CHINA DAILY in English
12 Jul 91 p 1

[By staff reporter Liang Chao]

[Text] China has officially appealed to the international community for urgent relief assistance as floods continue to devastate large areas of country and casualties and damages mount.

A senior government official told a press conference yesterday in Beijing that the death toll from natural disasters this year has so far reached 1,270, and economic losses are still soaring in the 18 provinces swept by heavy rains and floods, while drought continues to plague parts of South China.

According to Chen Hong, Vice-Minister of Civil Affairs, the areas worst hit by the summer storms are East China's Anhui and Jiangsu provinces.

Since the rainy season began in June, one month earlier than usual, floods have killed at least 267 people in Anhui, 164 in Jiangsu, 323 in Sichuan and 96 in Guizhou.

More than 75 million people or nearly 70 percent of the total population in Jiangsu and Anhui have been affected by the floods which have left nearly 2 million residents homeless, two provincial officials confirmed yesterday.

More than two million residents in Jiangsu and 920,000 in Anhui have been forced to evacuate their homes as some 20 urban districts in addition to thousands of towns and villages were submerged for days, officials said.

In almost all of the flooded areas residents are suffering from dysentery, malaria and other diseases as a result of widespread pollution, Chen said, adding that the incidence is as high as 25 percent in some regions.

The floods have damaged or destroyed thousands of enterprises, hospitals, schools, houses, bridges and irrigation and communication facilities in Anhui and Jiangsu.

The two provinces are in urgent need of more than \$200 million to carry out major rescue and relief operations and salvage some of their infrastructure, Chen said.

The total economic losses is estimated at nearly 7 billion yuan (\$1.32 billion) in Anhui and 9 billion yuan (\$1.7 billion) in Jiangsu, said Chen, who is also secretary-general of China's National Committee of the International Decade for Natural Disaster Reduction.

As a result of the floods, Anhui farmers have lost 4 million tons, or 60 percent, of the summer grain. And Jiangsu farmers have lost 2 million tons, or 20 percent, of the summer grain crops, officials said.

Local officials confirmed that such key industrial cities as Suzhou, Xuwei and Changzhou and also the fertile land around Taihu Lake, where 40 percent of the province's grain is produced, have been inundated by flood waters.

At present, Huang Wenxian, a senior expert at the State Flood-Control Headquarters, said the water level in Taihu Lake remains high above the danger mark as the downpour continues.

Cities around Taihu Lake, including Wuxi, Changzhou and Suzhou, could face even greater disasters if the lake's water level keeps rising, Huang predicted.

Since last week, heavy rain has not let up in the Huaihe River Valley and Chuhe River, one of the Yangtze's tributaries, further aggravating the flood situation.

The central government yesterday allocated more than 200 million yuan for a special emergency relief fund, plus 30 tons of relief goods, to help millions of flood victims in Anhui and Jiangsu.

Australia Provides Funds

*OW1007120991 Beijing XINHUA in English
1116 GMT 10 Jul 91*

[Text] Canberra, July 10 (XINHUA)—Australia will provide 77,000 U.S. dollars for emergency flood relief efforts in east China's Anhui Province, Minister for Foreign Affairs and Trade Gareth Evans announced here today.

In response to some of the worst floodings in China's history, Australia will provide emergency funds for the purchase and supply of medicines and blankets for the flood-affected victims, Evans said.

While the sympathies of the Australian Government and people have been conveyed to the government and people of China, there is no substitute for emergency assistance, he added.

The funds will be provided through the United Nations Development Program for the purchase of blankets and medicines in China for distribution in the affected areas, the Foreign Department [as received] said in a statement.

Thailand To Donate Goods

*OW1207183391 Beijing XINHUA in English
1454 GMT 12 Jul 91*

[Text] Bangkok, July 12 (XINHUA)—Thailand will donate goods and materials worth about 5 million baht (200,000 U.S. dollars) to help the victims of flood-stricken areas in east China, a Thai Foreign Ministry spokesman said here this evening.

Sakthip Krairik said the Foreign Ministry has suggested the donation to the Chinese flood victims and the report for such donation will be sent to Prime Minister Anan Panyarachun for final approval.

Sakthip said that Thai Army chief General Suchinda Kraprayun will pay a goodwill visit to China next Tuesday during which Suchinda will present part of the donation to the Chinese Government on behalf of the Thai Government.

The other part of the donation will be presented to China by Supreme Commander of the Thai Armed Forces Sunthon Khongsomphong during his visit to China later this month, the spokesman added.

DPRK To Give Cement

*OW1307183491 Beijing XINHUA in English
1616 GMT 13 Jul 91*

[Text] Pyongyang, July 13 (XINHUA)—The Government of the Democratic People's Republic of Korea (DPRK) has decided to donate 20,000 tons of cement for the flood-stricken areas in China.

Vice Foreign Minister of the DPRK Cha Pong-chu today informed Zheng Yi, the Chinese ambassador to the DPRK of the decision.

The vice minister said his government was very much concerned about the disaster, and in accordance with the instruction of DPRK President Kim Il-sung, DPRK will give 20,000 tons of cement for China to fight the floods.

Pakistan Offers Rice

*OW1307092291 Beijing XINHUA in English
0650 GMT 13 Jul 91*

[Text] Beijing, July 13 (XINHUA)—The Pakistan Government has decided to donate 5,000 tons of rice to the flood-stricken areas of China, according to the Foreign Ministry today.

The Pakistan Government has expressed its deep sympathy with the Chinese provinces and regions which have been suffering heavy losses of life and property from rainstorms and floods.

Government, UNDP Start Third Five-Year Plan

*OW1407142091 Beijing XINHUA Domestic Service
in Chinese 0559 GMT 12 Jul 91*

[By reporter Li Xiaolin (2621 1420 2651)]

[Text] Dalian, 12 Jul (XINHUA)—China and the United Nations Development Program [UNDP] started implementing their Third Five-Year Cooperative Plan recently.

The reporter obtained the above information from an on-going meeting in Dalian on the management of cooperative projects between China and the UNDP.

The Third Five-Year Cooperative Plan involves monetary aid totaling \$185 million. The main concern of the plan is to import advanced science, technology, and management experiences from other countries; promote technological progress; and enhance self-reliance in two aspects—in basic industries, and in social development, reform, opening, and management.

Regarding basic industries, the focus is on supporting efforts to cultivate and import improved animal and plant varieties in agriculture, forestry, animal husbandry, and the fishing industry; to import and popularize new technologies; and to develop, import, and popularize technologies to process fertilizer, pesticide, and fodder. The focus is also on supporting projects that help improve standards of basic industries as well as on supporting efforts to import or develop industrial technology, production control techniques, and technology to manufacture key equipment used in such major products as basic machinery, basic spare parts, primary parts of appliances, and raw and semifinished materials. In addition, the cooperative plan supports projects that help develop new products, improve quality and grades, and expand exports of light and textile industries. It also focuses on supporting technological development and reform projects aimed at conserving energy and lowering energy consumption; projects involving the technology of energy and natural resource exploitation; projects on transportation, post, telecommunications, and communications; projects that help improve the designs and production standards of large vehicles for transporting passengers and goods; and projects that accelerate the development of key communications technology.

As for social development, reform, opening, and management, the cooperative plan focuses on efforts to support middle and primary school education as well as focusing on supporting efforts to improve teaching methods and techniques and also educational management. The cooperative plan lends suitable support to efforts to introduce new courses in higher education;

continues to support vocational and technological education; supports projects to prevent and treat common, frequently-occurring and infectious diseases; and focuses on supporting efforts to promote research on and application of pollution-control methods or to import advanced pollution-control technology from other countries. It also lends support, selectively, to certain projects that help raise the standards of professional management techniques and macroeconomic management, as well as lends suitable support to efforts to study and implement reform measures that have clear objectives and that provide ready experiences from other countries that could be used as a reference and are suitable to our country's national condition.

Gains in Cooperation Noted

*OW1307000491 Beijing XINHUA Domestic Service
in Chinese 0650 GMT 12 Jul 91*

[By reporter Li Xiaolin (2621 1420 2651)]

[Text] Dalian, 12 Jul (XINHUA)—Much heeded achievements have been scored in multilateral economic and technological cooperation undertaken by China and the United Nations Development program [UNDP] since implementation of the reform and open policies. To date, China has received a total of \$255.1 million in assistance from the UNDP and launched 378 cooperative projects under two five-year cooperative programs. This has effectively promoted China's economic construction.

China began participating in UN-sponsored multilateral economic and technological cooperation projects in 1972. At that time, China only made cash donations and refused to accept assistance. The Chinese Government decided to accept international aid in the autumn of 1978. In 1979, it began to implement a new principle of "give and take" in multilateral economic cooperation, under which it continued to make cash donations to the UNDP and accepted technical assistance from the agency. This has led to major breakthroughs in multilateral economic cooperation undertaken by China.

Through cooperation during the past few years, China has built more than 100 research and training centers catering to various lines of business, sent approximately 5,000 technical and managerial personnel abroad for training and inspection, hired approximately 7,000 foreign experts to impart technical know-how, and imported some \$90 million worth of equipment, such as advanced international standard weather satellite ground receiving stations.

Remarkable economic and social benefits have been achieved in most of these cooperative projects. Thanks to seed improvement and vigorous promotional efforts by the producing areas, national centers for growing cotton, soybean, vegetables, and fruits have generated several billion yuan. Moreover, substantive progress has been made in UNDP-sponsored South-South cooperation. The two sides have cooperated in building regional research and training centers for methane generation,

acupuncture, small-scale power generation, primary health care, fresh water fish breeding, sericulture, overall rural development, vegetable production, and telecommunications. They have reached agreements on more than 100 reciprocal cooperative projects.

Speaking at a recent meeting on the management of China's cooperative projects with the UNDP, Tong Zhiguang, vice minister of foreign economic relations and trade, said: UN-sponsored multilateral economic and technological cooperation is not based on assistance in the form of capital but on technical aid. First, we should continue to develop all kinds of cooperation in importing technology, developing products, promoting technical advancement, improving operations and management, carrying out key construction projects, and training personnel. Second, we should strengthen the management of multilateral economic cooperation projects, formulate unified plans, exercise centralized management, and adopt a uniform project-based system. Third, we should make full use of channels opened up by multilateral cooperation to vigorously promote our achievements in cooperation.

G-7 Meeting, Western Aid for USSR Examined

*OW1307183991 Beijing XINHUA in English
1647 GMT 13 Jul 91*

[By Wang Shengliang]

[Text] London, July 13 (XINHUA)—Leaders of seven major Western industrial nations will gather in London for a summit on July 15-17 and meet Soviet President Mikhail Gorbachev after the summit to discuss Western aid for the ailing Soviet economy.

The G-7 summit and the Western-Soviet meetings will take place against the background that the United States and its allies have just won the Gulf war while the Soviet Union has been strategically beset with a gloomy economy following drastic changes in East Europe.

In a pre-summit briefing, British Prime Minister John Major said the aims of the summit are to stimulate economic cooperation and "strengthen international order."

He said the leaders of the top seven industrial countries were keen to talk to President Gorbachev after the summit.

The Western leaders are divided on whether the West should provide massive aid to the Soviet Union to bail out its ailing economy. The United States, Japan and Britain said that there would be no money on the table of the summit, while Germany, Italy and France are more in favour of offering financial assistance.

President Gorbachev made clear yesterday that he was not expecting cash or credits from his meeting with the Group of Seven leading industrialised countries this week.

Meanwhile, he dispatched his special envoy Yevgeniy Primakov to London with his letter of 23 pages sketching out his latest reform plan.

Leaked information indicated that Gorbachev promised his strongest commitment yet to land reform and ownership, a huge conversion of military plants worth between 10 billion dollars and 20 billion dollars to peaceful use. He also promised to stabilise the rapidly devaluing ruble and make political reforms.

In return, Gorbachev asked the West for large-scale foreign investment, requested relief on Moscow's 65 billion dollars of foreign debt to assist his economic reform. He also indicated that the West should consider lowering barriers to high technology exports to the Soviet Union and asked for membership in the leading global financial institutions—the International Monetary Fund (IMF), the World Bank and the Organisation for Economic Co-operation and Development (OECD).

Gorbachev's letter was also sent to other leaders to attend the summit. A senior U.S. official said the letter did not stand up to scrutiny.

Major said the summit will outline a framework to integrate the Soviet economy into world economy and leaders would more likely agree to provide "associate membership" of the IMF and the World Bank for the Soviet Union. It means the Soviet Union would only gain technical assistance but no aid or loan.

Apart from aid to the Soviet Union, Western leaders would also discuss a range of issues, including world economy, arms control, the world trade negotiations, Third World's debt, environment, drugs and sanctions on South Africa as well as Eastern Europe and Yugoslavia.

On arms control, the Western leaders would press the Soviet Union to observe the treaty on reduction of conventional weapons in Europe and demand a dramatic cut in Soviet military expenditure. The West accused the Soviet Union of transferring tanks from its Army to the Navy.

They want to link Western help with conversion of Soviet military facilities.

Leaders would also seek to limit proliferation of weapons of mass destruction, including reduction of arms sales in the Middle East and elsewhere. They want a new U.N. register of arms sale to achieve greater transparency.

The West is considering a plan for possible strike against Iraqi nuclear facilities if it does not abide by international obligations. The summit is expected to make a further consultations on the matter.

On economic policy, it is not likely that the summit would produce more concrete measures despite reaffirming the fiscal and monetary approach adopted by financial ministers and central bank governors of the G-7 in London last month.

The summit is expected to reach an agreement on setting a new deadline for an early and successful conclusion of the General Agreement on Tariffs and Trade talks, possibly by the end of this year.

On the environment, the seven top Western leaders would emphasize the importance of holding an international conference in Brazil in June next year and pledge that they would attend.

When the G-7 summit made its debut in Paris in 1975 under the initiative of then-president Valéry Giscard d'Estaing of France, it represented only an informal meeting on economic issues. Now it has broadened its mission into both economic and political affairs. The London summit looks set to go further along this line.

Gorbachev Spokesman Cited

OW1407084591 Beijing XINHUA in English
2151 GMT 13 Jul 91

[Text] London, July 13 (XINHUA)—Soviet President Mikhail Gorbachev will not beg for money but ask for understanding and support when he meets leaders from seven leading industrialized countries in London next week, his spokesman Sergey Grigoryev said today.

Grigoryev told British Broadcasting Corporation television that they should back Gorbachev as the only man popular and powerful enough to steer the Soviet Union through its economic difficulties.

The Soviet leader has detailed his plans to help the Soviet Union move towards market economy in a 23-page letter to the Group of Seven leaders. He appeals for an "infusion of consumer goods" and outlines cuts made in the Soviet Union's military spending.

The spokesman said Gorbachev wanted only "expression of understanding and support for his plan. Asking for understanding does not mean standing on the knees and begging for financial assistance."

He said Gorbachev intends "a real fast transition towards a market economy" and that means "a lot of investment". "But we also understand that the Western governments are not in a position to give away a lot of money."

Gorbachev will meet leaders from the United States, Britain, Japan, Germany, France, Italy and Canada after their summit on Wednesday next week to outline his latest reform plans.

Grigoryev confirmed that the Soviet Union would make "conversion of a lot of military and defence industries."

Leaders of the Group of Seven want to link their support with transferring of Soviet military facilities into peaceful use and cutting its military spending.

British Prime Minister John Major has said that there would be no cash on the table of the summit.

Primakov on Need for Aid

OW1407143991 Beijing XINHUA in English
1338 GMT 14 Jul 91

["Soviet Envoy Appeals for Western Help, Any Kind (by Xue Yongxing)"]—XINHUA headline]

[Text] London, July 14 (XINHUA)—Yevgeniy Primakov, Soviet President Mikhail Gorbachev's special envoy, has again appealed for Western assistance on the eve of the London summit of the world's seven leading industrial countries.

In an exclusive interview with a British Sunday newspaper, he said that the Soviet president would be asking the Western leaders for short-term assistance to ease the process of price liberalisation and accelerate the conversion of the ruble.

Primakov was speaking to THE INDEPENDENT on Sunday ahead of the Group of Seven (G-7) meeting which starts tomorrow, after which President Gorbachev will meet the group's leaders.

Gorbachev has reportedly detailed his plans to help the Soviet Union's move to market economy in a 23-page letter to the G-7 leaders. The letter, delivered by Primakov, asks for debt relief, large-scale investment in oil and gas, food and high technology, and Western help in converting 10 billion to 20 billion U.S. dollars of Soviet military plants to peaceful commercial use.

Primakov revealed that under Gorbachev's latest plans, about 80 percent of the Soviet Union's small and medium-sized enterprises would be sold into private hands within two years, and with the help of the West, the ruble made fully convertible within the same period.

The second stage would involve large scale industrial enterprises. The privatisation of land would be a matter for the republics, as conditions differed among them, he added.

Asked what form the Western help should take, Primakov, said: "any kind of help—grants, any kind of support. It shouldn't be called aid. It is in the interest of both sides, not merely in the West's political interest but also in the West's economic interests, opening the field for investment in our large market with all its potential."

"We are not so naive to believe we shall get everything we want in London. But we consider this is the beginning of a very important process for our country and the whole of humanity," he added.

Primakov described the fact that Gorbachev was invited to the G-7 meeting as "the minimum we have got." "Now it is necessary to begin the process."

Meanwhile, the G-7 countries appeared to have lined up on opposing sides on the question of help for the Soviet Union. An immediate aid package is not on offer. They are split on whether the summit should hold out to Gorbachev the prospect of Western aid when he is

further down what they describe as the reform path, and over whether his plans are sufficient.

Japan has ruled out any significant financial aid and the U.S., Britain and Canada are sceptical about the present reform plans, while Germany, France and Italy are keen that the summit should offer political support to Gorbachev and, once reform is under way, the prospect of financial help.

Even before the Soviet request was presented, U.S. President George Bush wrote to the other summit leaders ruling out assistance, beyond modest technical aid, before reforms start.

Today, the G-7 leaders have begun a series of pre-summit talks on the summit agenda including the issue of aid to the Soviet Union.

UK, Canada 'Cautious' on Aid

*OW1407204491 Beijing XINHUA in English
2021 GMT 14 Jul 91*

[Text] London, July 14 (XINHUA)—The Soviet Union looks increasingly unlikely to get cash aid from the Group of Seven industrial countries as Britain and Canada both appeared to be cautious on Soviet President Mikhail Gorbachev's appeal for Western assistance.

British Prime Minister John Major, the host of the G-7 London summit, had pre-summit talks today with his Canadian counterpart Brian Mulroney at No. 10 Downing Street.

Major told reporters after their talks that he would "wait and see" what Gorbachev had to say as G-7 leaders began arriving for the three-day summit which opens here tomorrow.

He said that Gorbachev's proposals, presented in a 23-page letter circulated to all the G-7 leaders, were being analysed in detail and would be examined seriously at the summit and in a personal meeting with the Soviet president on Wednesday.

"We will need to analyse it, discuss it, listen to President Gorbachev and then we will be in a better position to draw conclusions about it," he said.

Mulroney said that Gorbachev should not arrive in London expecting "miracles or blank cheques."

"Obviously President Gorbachev is approaching this in what appears to be quite a constructive manner," he said. However, he added: "Whether G-7 will be able to respond to this, I somehow doubt it."

"I do not believe that you'll see either miracles or blank cheques," Mulroney told reporters.

Reports said that the Soviet letter, which outlines Gorbachev's latest reform proposals, lays stress on converting weapons industries to make civilian goods. It

seeks the West's help with that process plus debt relief and investment in the energy industry and agriculture.

Yevgeniy Primakov, Gorbachev's special envoy, revealed that under the latest reform plans, about 80 percent of the Soviet Union's small and medium-sized enterprises would be sold into private hands within two years, and with the help of the West, the ruble made fully convertible within the same period.

The second stage would involve large scale industrial enterprises. The privatisation of land would be a matter for the republics, as conditions differed among them, he added.

Mulroney said that the Soviet plan left many questions unanswered.

"What does privatisation really mean to (Gorbachev), what does price liberalisation mean, what does currency stabilisation mean to him, how does he see technical assistance?"

"There are definitions that I think are quite important and probably quite different, but the only way you are going to find out is the eight of us round the table—seven with him."

The G-7 countries appeared to be split over the question of aid for the Soviet Union. Japan and the United States also opposed cash help, but Germany, France and Italy would offer aid in exchange for reforms.

Japan Seeks Islands Progress

*OW1507030491 Beijing XINHUA in English
0224 GMT 15 Jul 91*

[Text] London, July 14 (XINHUA)—Japanese Foreign Ministry spokesman Taizo Watanabe said on Sunday that the dispute with Moscow over four northern islands was one of factors affecting its response to the Soviet call for massive aid.

He outlined three elements in Japan's position. First, there is an economic question of whether and when aid could be provided to the Soviet Union in an effective way.

Second, there is a political question on the Soviet Union's willingness to transfer its military plants into peaceful commercial use.

The third question was put on the Soviet Union's stance on international affairs. The spokesman labeled the Soviet refusal of the four northern islands as "a legacy of expansionist policy."

Japan was the most strongest opponent among the Group of Seven (G-7) Western industrial giants against the aid for the Soviet Union. The Soviet refusal to return the northern islands made Japan reluctant to go with large-scale aid for the Soviet Union.

Japan was said to be a country which, among the G-7, is most able to provide financial aid to the Soviet Union.

But the Japanese spokesman declined to term his outlined elements as conditions for aid, trying to avoid to give an impression that Japan is the only country to hinder massive aid if there is no a breakthrough at the summit.

Japanese Prime Minister Toshiki Kaifu said on Sunday, "I do not share the view that Japan is the only country which is opposed to financial assistance to the Soviet Union."

He also said Japan has already provided some aid to the Soviet Union and it will send a delegation to the Soviet Union to examine conversion of Soviet military facilities to peaceful use relating further Japanese technical assistance.

No Final U.S.-Soviet START Accord Reached

*OW1507002191 Beijing XINHUA in English
0008 GMT 15 Jul 91*

[Text] Washington, July 14 (XINHUA)—The United States and the Soviet Union failed to reach a final agreement on the Strategic Arms Reduction Treaty (START) today, although their foreign ministers worked intensively for an additional day on the issue.

At a joint press conference with Soviet Foreign Minister Aleksandr Bessmertnykh this afternoon following their four-day negotiations, U.S. Secretary James Baker said that they were unable to finish the work on the START treaty because the last remaining obstacles are the "most difficult technical problems."

However, Baker said, "outstanding progress" has been made on other issues to the treaty.

The one sticking point, Baker said, was on the definition of "throw-weight" for determining whether or not a new missile is in fact a new type of missile.

He said the issue will be left over for the experts of both sides to work and he and Bessmertnykh will discuss them again when they meet in London next Wednesday.

The START treaty is a "very serious treaty" and "we are determined to get it right," Baker said.

Bessmertnykh, who came last Wednesday to meet Baker in a hope to resolve all the problems holding up the conclusion of the START treaty, said that they had resolved the issue of "down-loading," or how many warheads would be counted on each multiple-warhead missile, and of "data denial," or how much information the two countries would exchange on missile test flights.

"I really am very much satisfied with the job we have done with the American team," he told the press conference, adding that there remains "one very technical aspect of a problem to deal with and I hope we will finish it soon."

However, the Soviet Foreign Minister also noted that "a tremendous effort" has been made by both sides and the remaining issues were "the most difficult" and "the last" for the two countries to decide.

Baker and Bessmertnykh began their talks on the treaty last Thursday and were scheduled to finish their job on Saturday. But they could not resolve the problems until almost midnight yesterday and decided to work for an additional day today in a hope to iron out all the differences over the 500-page treaty.

Although both sides agree to reduce the arsenals of bombers, missiles and submarines by an average of 30 percent, the cuts in the Soviet arsenal appear heavier as it will reduce by some 50 percent the number of its most powerful long-range SS-18 missiles while the United States will maintain its advantage over the Soviets in such categories as long-range bombers and cruise missiles.

Under the treaty, the United States would be limited to 10,400 nuclear warheads, down from 12,000 currently, and the Soviet to 8,000, down from 11,000.

The United States has set the START treaty as the condition for the long-delayed U.S.-Soviet summit meeting in Moscow.

Asked if the failure today will delay the summit further, Baker said that he is not in the position to predict the fate of the summit and President George Bush may touch upon the issue Wednesday when he meets Soviet President Mikhail Gorbachev in London following the summit of the Group of Seven Western industrial giants.

Pakistan, Soviet Union To Discuss Afghan Issue

*OW1307202891 Beijing XINHUA in English
0634 GMT 13 Jul 91*

[Text] Islamabad, July 13 (XINHUA)—A high-level Soviet delegation is expected to visit Islamabad at the end of this month or in early August for talks on the Afghan issue which becomes a main block in improving bilateral relations between Pakistan and the Soviet Union.

The Soviet insistence on a future role for Afghan President Najibollah remained the basic difference between Islamabad and Moscow, according to official sources here today.

Islamabad voiced opposition repeatedly to Najibollah's role in a future political set-up in Afghanistan because all Afghan resistance groups were opposed to him, the sources said.

Observers doubt the expected Soviet-Pakistan talks could break the present stalemate as their opinions are far apart from each other on the main point.

The forthcoming talks will be the second one between the two countries. In May, a Pakistan delegation visited Moscow for talks on the Afghan issue.

United States & Canada

RENMIN RIBAO Criticizes U.S. Arms Sales

HK1507121191 Beijing RENMIN RIBAO in Chinese
12 Jul 91 p 7

[Article by Huang Qing (7806 2532) and Li Wenyun (2621 2429 0061): "Look at Yourself in the Mirror Before Accusing Others: State of U.S. Arms Exports Since 1980's"]

[Text] Editor's note: Recently, when the U.S. Congress was debating renewing MFN status for China, someone made a lot of comments on the so-called Chinese arms sales, stirring up uproar, time after time. A few most influential U.S. newspapers devoted much space to publishing articles and editorials alleging that Chinese arms sales plans "have posed a threat to U.S. strategy" and even urged the U.S. Government to adopt a policy of "carrot plus stick" against China, in order to control Chinese arms sales by canceling MFN status for China. As soon as such an opinion was announced, there was an immediate public outcry. However, we wonder why you gentlemen from one of the world's largest arms exporting countries only accuse others? Why don't you look at yourself in a mirror first? On 10 July, this newspaper published an article: "Where Does the Crux of the Middle East Armaments Race Lie?" It enumerates some facts regarding U.S. arms exports. Some writers have provided us with data, which are published here for people's comments: Who in the world today should first control arms sales? [end editor's note]

Since the beginning of World War II, the United States has been one of the largest producers and exporters of weapons and ammunition in the world.

According to statistics from the UN first commission [as published], in the 5 years between 1980 and 1984, U.S. arms exports totaled \$27.66 billion, which ranked first in the world and accounted for 39.7 percent of the world's total arms turnover during the 5 years.

Statistics from the International Peace Research Institute of Sweden indicate that the turnover of the world's conventional arms trade in 1986 totaled \$31.46 billion, but U.S. sales alone amounted to \$10.4 billion, also ranking first in the world. In 1987, the world's arms exports totaled \$35.2 billion; U.S. sales amounted to \$11,547 million, ranking second in the world and comprising 32.8 percent of the total volume of international arms exports.

According to a report from a U.S. Congressional research body, in 1988, U.S. arms sales to the Third World soared by 66 percent to \$9.2 billion, again ranking second in the world. In 1989, as global arms sales to Third World countries plummeted by half, the United States also reduced arms exports to those countries, from \$9.3 billion in 1988 to \$7.7 billion in 1989. But this figure still accounted for 26 percent of the world's total arms exports and was the second largest in the world.

According to reports, the United States planned to sell weapons and ammunition worth \$30 billion in 1990, including excess tanks and fighter jets, radar command systems, rockets, and missiles, after the signing of the anticipated conventional arms reduction treaty with the Soviet Union.

As a major destabilized and hot spot of the world, the Middle East has been a key destination for U.S. arms exports. Between 1982 and 1986, the United States exported to Israel weapons and ammunition valued at \$3.7 billion, while selling arms worth more than \$10 billion to other countries in the region, according to reports.

During the 8-year Iran-Iraq war, the United States sold to Iraq weapons and ammunition valued at \$15.5 billion, while selling arms worth \$8.2 billion to Iran.

From the inception of the Gulf crisis to the conclusion, U.S. arms sales to the Middle East have been unprecedentedly brisk. On the one hand, on 29 May, the United States put forth a plan for arms control in the Middle East and exerted pressure on other countries to stop selling weapons and ammunition to the region. On the other hand, on 30 May, it agreed to provide Israel with weapons and ammunition worth \$700 million. In June, the United States announced a new plan for selling to five Middle East states large quantities of up-to-date weapons, including fighter planes, attack helicopters, tanks, and pieces of artillery. The turnover is expected to reach between \$18 and \$24 billion. According to reports, in the wake of the Gulf war, Middle East countries plan to increase their weapons and ammunition purchases from the United States from 1992; the increased turnover is expected to reach \$33 billion.

Radio on 'Highlights' of Article

OW1307143691 Beijing Radio Beijing in English
to Western North America 0400 GMT 13 Jul 91

[Text] The Chinese leading newspaper the PEOPLE'S DAILY [RENMIN RIBAO] carried a signed article Friday, attacking the recent U.S. accusation of Chinese arms sales. It said that some politicians in the United States are proposing to control Chinese arms sales by threatening to cancel China's most-favored-nation [MFN] status. Here's (Fang Ling) with the highlights from the article.

[Begin (Fang Ling) recording] Recently, the U.S. Congress has debated renewing China's MFN status. Some politicians have made a lot of comments on the so-called Chinese arms sales. A few key U.S. newspapers published many stories and commentaries, alleging the Chinese arms sales plan have posed a threat to the U.S. strategies. Some even urged the U.S. Administrations to control Chinese arms sales by canceling China's MFN status.

The paper asked why gentlemen from one of the world's largest arms exporters only accused others. It said they

should look at themselves in the mirror first. The article notes that since the beginning of the Second World War, the United States has been one of the largest producers and exporters of weapons and ammunitions in the world. According to statistics from the United Nations, between 1980 and 1984, U.S. arms exports totalled more than \$27 billion. It ranked first in the world and accounted for nearly 40 percent of the world's total arms turnover during the period. Statistics from Swiss [as heard] International Peace Research Institute said the turnover of U.S. conventional arms trade in 1986 was over \$10 billion, also ranking first in the world. In 1987, U.S. arms sales was second in the world. A report from the U.S. Congress disclosed that, in 1988, U.S. arms sales to the Third World increased by 66 percent to \$9.2 billion, again ranking No. 2 in the world. The United States continued to hold its No. 2 spot in 1989. Reports said that U.S. planned to sell weapons and ammunitions worth \$30 billion in 1990, including fighter jets, radar command systems, rockets, missiles, and tanks.

As a (?natural) hot spot in the world, the Middle East has been a key destination for U.S. arms exports. Between 1982 and 1986, the United States exported arms to Israel valued at \$3.7 billion. They also sold more than \$10 billion worth of arms to other countries in the region. During the 8-year-long Iran-Iraq war, the United States sold those countries a total of nearly \$24 billion in arms. When the Gulf crisis started last year and up to its end, U.S. arms sales to the Middle East soared. On 29 May, the United States produced a plan for arms control in the Middle East and asserted pressure on other countries to stop selling weapons and ammunitions to the region. But just a day later, it agreed to provide Israel with \$700 million worth of arms.

In June, the United States announced a new plan to sell five Middle East states large quantities of sophisticated weapons. The turnover is expected to reach between \$18 and \$24 billion. It predicted that, beginning next year, Middle East countries will increase their purchases of weapons and ammunition from the United States. The increased turnover is expected to top \$33 billion. [end recording]

WEN WEI PO on MFN Issue, Impact on Ties

HK1507074291 Hong Kong WEN WEI PO
in Chinese 15 Jul 91 p 2

[Editorial: "Another Storm Arises in the Issue of MFN Status"]

[Text] A few days ago, the U.S. House of Representatives adopted two bills on the issue of MFN status. One is Representative Gerald Solomon's motion to reject the extension of MFN status to China by the United States, and the other is Representative Nancy Pelosi's motion on conditionally extending MFN status, which regards the solution of China's so-called human rights issue as a condition for extending MFN. This has stirred up

another storm in the issue of MFN status accorded to China by the United States.

MFN status is not a favor granted. China and the United States accorded each other MFN status because it is beneficial to arrangements for normal trade and economic exchanges between the two countries and is the foundation of normal trade and economic exchanges between the two countries. Some U.S. congressmen have linked some issues of China's internal affairs with MFN status and regard unilaterally revoking MFN status to China or attaching conditions for its extension as a means to exert pressure on China. There is no doubt this interferes in China's internal affairs and is unacceptable to the Chinese Government.

MFN status between China and the United States conforms not only to the interests of China but also to the interests of the United States. As the largest developing country and the largest developed country in the world, China and the United States can complement each other economically. Since both sides accorded each other MFN status by virtue of the "Sino-U.S. Agreement on Trade Relations" signed in 1979, bilateral trade between China and the United States has developed very quickly and both sides have acquired tremendous material benefits. According to statistics, the total volume of trade between China and the United States was \$2.45 billion in 1979, and amounted to \$11.77 billion in 1990, an increase of 400 percent. If China's MFN status is terminated, it will definitely harm China's economy and trade and will bring about inestimable harm to American commercial circles, consumers, and investors in China in economic as well as other aspects.

MFN status is an important cornerstone of Sino-U.S. relations. If the United States revokes China's MFN status, Sino-U.S. relations will surely retrogress greatly. This does not conform to the common interests of China and the United States. Their common interests, in fact, greatly outweigh their differences. Although the world situation and political setup have now changed greatly, this does not signify a drop in China's strategic status on the international arena, nor does it show the common interests of China and the United States vanishing. As the largest developing country in the world and one of the permanent member states of the UN Security Council, the role of China is obvious. In the past, China and the United States had similar views on some important international issues, and they cooperated. They must continue to carry on cooperation, now and in the future. This is necessary for Sino-U.S. common interests and for upholding the peace and stability of the Asia-Pacific region and the world. PRC President Yang Shangkun recently made a positive response to President Bush's proposal to hold a meeting of the five permanent members states of the UN Security Council on arms control in the Middle East. The Chinese Government decided to send Vice Foreign Minister Liu Huaqiu to attend a meeting held in Paris this month. Sino-U.S.

cooperation will play an important part in promoting a political solution to the Middle East problem and other problems in the world.

Obviously, it is shortsighted to formulate or alter policy toward China for a moment's political need, which infringes upon Sino-U.S. long-term interests. President Bush and some U.S. congressmen differ in stand on this point, and his view on unconditionally extending MFN status to China is, no doubt, wise, practical, and far-sighted.

At present, the hard period in Sino-U.S. relations is not yet over. The United States is still applying sanctions against China and normal trade relations between the two countries are still facing danger. Many Western countries have already lifted, or are lifting, sanctions against China, and farsighted statesmen must exert great efforts to remove obstacles, create a friendly atmosphere, and make Sino-U.S. relations take a turn for the better. They must not use the MFN issue to create obstacles and harm Sino-U.S. relations. People have noted that in the House of Representatives vote a few days ago, the number of representatives voting against rejecting, and against conditionally extending MFN status to China, recorded an increase over last year. China's situation is not like that exaggerated by certain Western media, and those who have come to China can see that the entire country is devoting itself to construction, improving the people's livelihood, and strengthening the establishment of democracy and a legal system. In the external aspect, China is devoting itself to a foreign policy of independence and peace and enjoys the praise of many countries in the world, particularly its neighbors. Certain misrepresentations can only deceive people for a while, and it is believed that as the true facts about China are gradually understood, there will be more people with breadth of vision in the United States, including more congressmen who will support President Bush's decision to keep MFN status between the United States and China, thus improving and strengthening relations between the two countries.

Anna Chennault Urges U.S. To Extend MFN

*OW1307013291 Shanghai WEN HUI BAO
in Chinese 9 Jul 91 p 4*

[Interview with Anna Chennault by WEN HUI BAO Washington-based reporters Zhu Xingfu (2612 1630 4395) and Yang Yansong (2799 1484 2646): "Friendly Relations Between China and the United States Benefit Both Sides"]

[Text] The U.S. Department of Defense recently acknowledged the "Flying Tigers" led by General Claire Lee Chennault in an announcement. This announcement stated that the air corps, which voluntarily joined China in 1941 in the War of Resistance Against Japan, had been secretly supported by the U.S. military, and members of the "Flying Tigers" may enjoy the title of "Veteran Soldier of the

Second World War." Although slow in coming, the decision undoubtedly was a comfort to General Chennault's widow, Madam Anna Chennault.

Anna Chennault is a celebrated Chinese-American and carries weight in American political and business circles. She was vice chairman of the National Finance Committee of the Republican Party for 17 years and served two consecutive terms as chairman of the Minority Ethnic Committee of the Republican Party. Released from these two posts, she currently still heads the National Committee of Asian Descendants of the Republican Party and is a member of the White House Academic Committee. On 23 May, President Bush appointed her as adviser to the Department of Interior. Recently, we interviewed her in Washington.

As we pushed open the doors to enter her office, Anna Chennault was on the phone. She asked her secretary to greet us. While she talked on the phone, we took a good look at enlarged photographs which hang on the walls of the reception room. These include photographs of her with General Chennault when she was young as well as pictures of her taken with five U.S. presidents—Kennedy, Nixon, Ford, Reagan, and Bush—respectively. "I am sorry to keep you waiting," Anna Chennault apologized to us after she hung up the phone. She added: "Recently I have been flooded with a great many matters; many have to do with China's most favored nation [MFN] status. The call I just received was from a congressman."

The U.S. Congress is currently debating whether to extend China's MFN status unconditionally. Anna Chennault wants the United States to renew this status unconditionally. To her many friends in the Congress, she often states outright that it will be disadvantageous to both Chinese and American people should they set conditions for extending China's MFN status. Relating Chinese modern history to these congressmen, she said: "From the tangled warfare among warlords, the war of resistance against Japan, to the civil war, the Chinese people suffered a great deal. Now that they finally can enjoy a better life, you want to make them suffer again. This is very wrong." To convince these congressmen, Anna Chennault told them: You advocate democracy. Some European countries, however, are torn by separatist movements and cannot develop their economies. Most Asian countries in the past were colonized by Western countries. With independence won not too long ago, they have just settled down. Faced with many challenges now, it is not possible for them to indiscriminately copy the democratic system of the Western world.

Concerning Sino-American relations, Anna Chennault said: From a long-term point of view, China needs the United States and the United States needs China. Maintaining friendly relations, therefore, will benefit both sides. She said: As China's economy develops, its political situation will stabilize. So long as China is unstable, Asia will not have peace. Asia wants China to be stable.

Trade Conflict To Dominate Bush Australia Visit

OW1507024491 Beijing XINHUA in English
0201 GMT 15 Jul 91

[Text] Canberra, July 15 (XINHUA)—Prime Minister Bob Hawke has expressed willingness to accompany U.S. President George Bush to meet Australian farmers who have been hurt by the U.S. export enhancement program during his visit in November.

It is generally believed that the resentment among Australian farmers to the U.S. farm subsidy scheme has been an irritant to the bilateral relationship between the two countries.

Radio Australia today quoted Hawke as saying that the conflict between the two countries over trade might not be resolved before Bush's visit.

The subsidy program might end after negotiations during the Uruguay Round of talks on the General Agreement on Tariffs and Trade, Hawke added.

However, the prime minister said the U.S. subsidies are intended to force European countries to end their protectionist trade policy, not to hurt Australian farmers.

He believed that the Americans are ready to change their procedures, but obviously not until the Europeans bring theirs down.

U.S. Ambassador to Australia Mel Sembler said on the Nine Network's Sunday program Sunday, that he will recommend President Bush to meet farmer groups during his visit.

The visit is regarded as coming at a politically sensitive time for the Australian wheat industry, just before harvest but after the Wheat Board has announced the predicted price for the harvest.

The board said that there have been few changes in the price outlook since the Australian wheat board issued an updated forecasts in early June of 100 U.S. dollars a ton—just 7.7 U.S. dollars above last season's poor return and still below the cost of production for many farmers.

The farmer organizations want to tell Bush that subsidized U.S. wheat sales are eating into Australia's traditional markets, the board noted.

Soviet Union

Kazakh President Visits; To Study Special Zones

XINHUA Interview

OW1107180791 Beijing XINHUA Domestic Service
in Chinese 0515 GMT 10 Jul 91

[Text] Moscow, 9 July (XINHUA)—Nazarbayev, president of the Soviet Kazakh Republic, left Alma-Ata on 9 July for a visit to China.

In a recent interview with a XINHUA reporter, Nazarbayev said that China had accumulated rich experiences in setting up special economic zones in the course of reform and in promoting agriculture, pointing out that "the purpose of my visit is to study the special economic zones in southern China and familiarize myself with China's experience in reform."

He added that China and Kazakhstan, which share a common border, have increased their economic exchanges in recent years, and border trade is thriving. During his stay in China, Nazarbayev will, in addition to visiting Beijing and Guangzhou, meet leaders of China's Xinjiang Uygur Autonomous Region for discussions on opening up more border posts and developing border trade.

Xinjiang TV Reports Visit

OW1107181491 Urumqi Xinjiang Television
Network in Mandarin 1555 GMT 10 Jul 91

[Report by Yang Fuxin; from the "Xinjiang News" program]

[Text] At the invitation of autonomous regional Chairman Tomur Dawamat, a 21-member government delegation from the Kazakh Soviet Socialist Republic, headed by Nursultan Nazarbayev, president and first secretary of the Soviet Kazakh Republic Communist Party and member of the CPSU Central Committee Politburo, arrived in Urumqi by special plane at noon yesterday. They were greeted at the airport by autonomous regional and Urumqi City leaders Tomur Dawamat, Jin Yunhui, Hederbai, and Yusufu Aisha, as well as officials from departments. [video shows shots of Nazarbayev and the delegation members deplaning, shaking hands with and embracing Tomur Dawamat and other Xinjiang leaders by the ramp]

Yesterday afternoon, a Xinjiang autonomous regional delegation, led by Comrades Tomur Dawamat and Jin Yunhui, and the Soviet Kazakh Republic delegation, led by Comrade Nazarbayev, held the first round of talks at the Xinjiang Guesthouse. [video shows conference room where officials are seated face to face at a long table]

On behalf of the regional government, Comrade Tomur Dawamat extended a warm welcome to the Soviet delegation. He said: In the four decades since liberation, especially in the decade of reform, Xinjiang has scored rapid advances in all fields of endeavor. So far, the second Euro-Asian Continental Bridge has been linked in Xinjiang; it is also connected to West Europe, western Asia, and the Middle East by several international aviation routes. The opening of Huoerguosi [placename as received] and other trade ports has created a favorable environment for promoting cooperation and exchange in various fields between Xinjiang and other parts of China and the world, especially with the Kazakh Republic. Prospects for cooperation between Xinjiang and Kazakh are great. We should work together to further develop trade, economic relations, and technical cooperation

based on the principles of equality and mutual benefit. [video shows close shots of Tomur, reading from a script]

For his part, Comrade Nazarbayev said: We are very happy to be here in Xinjiang. This is a historic visit with great significance for developing political and economic ties between the two sides. It is hoped that both sides will exert efforts to deepen the good relations and cooperation existing between us. [Nazarbayev is seen in close-up shot]

During the talks, the two sides reached preliminary agreements on ways and means to conduct economic cooperation.

In the evening, chairman Tomur Dawamat hosted a banquet for the Soviet Kazakh Republic delegation. Autonomous regional and Urumqi City leaders Jin Yunhui, Hederbai, Yusufu Muhanmode, and Yusufu Aisha attended the banquet. [Tomur, Nazarbayev, and others are seen seated at a round banquet table]

The Kazakh Republic delegation left Urumqi by plane for a good-will visit to Guangzhou, Shenzhen, and Beijing this morning. The delegation is scheduled to return to Urumqi on 14 July to continue the good-will visit. [video shows Tomur and Nazarbayev shaking hands by the ramp of a plane]

Meeting With Zhu Senlin

OW1107142991 Beijing XINHUA in English
1355 GMT 11 Jul 91

[Text] Guangzhou, July 11 (XINHUA)—Zhu Senlin, acting governor of China's Guangdong Province, met with Nursultan Abishevich Nazarbayev, president of Kazakh Republic of the Soviet Union, and his party here tonight.

During the meeting, Zhu briefed Nazarbayev on the implementation of the reform and opening policy in Guangdong Province and special economic zones.

The Soviet guests arrived here Wednesday after visiting China's Xinjiang Uygur Autonomous Region. They toured the Shenzhen Special Economic Zone today.

Talks With Jiang Zemin

OW1307140391 Beijing XINHUA in English
1310 GMT 13 Jul 91

[Text] Beijing, July 13 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party (CPC) Central Committee, met with N.A. Nazarbayev, member of the Political Bureau of the Central Committee of the Communist Party of the Soviet Union and president of the Kazakh Soviet Socialist Republic of the Soviet Union, and his party here this evening.

According to a Chinese official who attended the meeting, Jiang extended a warm welcome to the Soviet guests and spoke highly of Kazakhstan's position on state unity and national concord.

Jiang said the normalization of Sino-Soviet relations is conducive not only to the growth of bilateral good-neighborly ties, but also to the safeguarding of peace in Asia and the world as a whole.

"We hope the two nations will strive to consolidate and develop this new kind of state-to-state ties, with the prerequisite that the two countries stick to the socialist road," he added.

During the meeting Nazarbayev passed on to Jiang a letter from Soviet President Mikhail Gorbachev, and briefed Jiang on the economic situation in the Kazakh Republic.

Nazarbayev noted that his republic would further strengthen its friendly co-operation with China, and that it especially hopes that the political and economic situations in either side along the Soviet-Sino borders will become more stable.

Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing Municipal Party Committee, was among those present on the occasion.

In the afternoon, Chinese Vice-Premier Tian Jiyun met with Nazarbayev and conveyed a message from Premier Li Peng extending a welcome and wishing his visit success.

After arriving in China July 9, Nazarbayev visited the Xinjiang Uygur Autonomous Region and met with Tomur Dawamat, chairman of the people's government of the region.

Beijing TV Report

OW1407130091 Beijing Central Television Program
One Network in Mandarin 1000 GMT 14 Jul 91

[From the "National News Hookup" program]

[Text] Jiang Zemin, general secretary of the CPC Central Committee, had a meeting with Nursultan Nazarbayev, member of the CPSU Central Committee Politburo and president of the Kazakh Soviet Socialist Republic, and members of his party at the Diaoyutai State Guest House yesterday evening. [video shows close-ups of Jiang shaking hands with Nazarbayev in a courtyard in front of a traditional Chinese building, cutting to show medium close-ups of Jiang and the Soviet visitors posing for a group picture in front of the entrance of the building]

Jiang Zemin warmly welcomed the Soviet visitors and praised the Kazakh Republic's stand of supporting national unification and harmony. [video shows close-up shots of Jiang Zemin conversing with Nazarbayev and other Soviet visitors through Soviet and Chinese interpreters]

Jiang Zemin said: The normalization of Sino-Soviet relations not only is in the interest of the development of good-neighborliness and friendship between our two countries, but also is significant for the maintenance of

peace in Asia and the world. We hope China and the Soviet Union, on the premise of upholding the socialist system, will make constant efforts to consolidate and develop this new form of state relations.

During the meeting, Nazarbayev conveyed to Jiang Zemin a hand-written letter from General Secretary Gorbachev, and briefed Jiang on the economic situation of the Kazakh Republic. Nazarbayev indicated that his republic would continue to strengthen friendship and cooperation with China.

Soviet Reportage on Visit

WA1507233591

For Soviet reportage on the visit of Kazakhstan President Nursultan Nazarbayev to the PRC, including his talks with CPC General Secretary Jiang Zemin, see the China section of the Soviet Union DAILY REPORT for 15 July and subsequent issues.

Pavlov Views Soviet Anticrisis Program

OW1207073491 Beijing XINHUA in English
0234 GMT 12 Jul 91

[Text] Moscow, July 11 (XINHUA)—Prime Minister Valentin Pavlov told reporters today his government's anti-crisis programme is intended to provide a clear legislative groundwork for enterprises and other bodies involved in economic activity.

"This is its strongest point," Pavlov said.

The new programme, which was okayed by President Mikhail Gorbachev last Friday, was signed by the government and ten Soviet republics including the Russian Federation.

Pavlov said its weak point was its lack of real steps to coordinate Soviet and republican laws.

The programme was oriented towards an early signing of a new union treaty which would deal with the separation of powers between the Soviet Government centre and republics.

Control Commission Questions Shevardnadze Actions

OW1207073691 Beijing XINHUA in English
0145 GMT 12 Jul 91

[Text] Moscow, July 11 (XINHUA)—The Soviet Communist Party Control Commission claims that the reason for Eduard Shevardnadze's withdrawal from the party was "his unwillingness to bear responsibilities for the party's existing situation."

A statement issued by the Presidium of the commission raised the question of speeches made by the former foreign minister on forming a new democratic party on equal footing with the Soviet Communist Party.

It questioned the propriety of doing this without raising the matter at the plenary session of the Central Committee or in the party's newspaper.

It was only natural to ask Shevardnadze to make an explanation of his intention, the statement said.

Shevardnadze had refused to make efforts to carry out the policies of the Soviet Communist Party, but rather to focus on the establishment of a new opposition party, the statement said.

In doing so "he placed himself outside the Communist Party."

Meanwhile, according to Russian news agency, the founders of the "Democratic Reform Movement" held a meeting here today, announcing the formation of its committee with Arkadiy Volsky, Ivan Laptev, Shevardnadze and Aleksandr Yakovlev as its chairmen.

The meeting also decided to form a preparatory committee headed by Shevardnadze for the movement's first congress.

Silayev Confirmed as Russian Prime Minister

OW1307073991 Beijing XINHUA in English
0215 GMT 13 Jul 91

[Text] Moscow, July 12 (XINHUA)—The Russian Parliament re-elected Ivan Silayev prime minister of the country's largest republic today, but it failed in two rounds of voting to elect a new speaker.

Silayev, nominated by the newly-elected Russian President Boris Yeltsin, regained his post as prime minister by 126-14 votes, with five abstentions, TASS reported.

The prime minister and his government, in keeping with the republic's constitution, resigned on Thursday at the fifth full parliament session following the election of Yeltsin.

After his re-election, the new prime minister told parliament his cabinet should serve as "the principal mechanism for the implementation of decisions adopted by the head of the republic" within the new presidential system.

Meanwhile, as the fifth session entered its third day, neither of the two speaker candidates won the required majority of 535 votes in the second round of voting today, TASS said.

Ruslan Khasbulatov and Sergey Baburin, two survivors of the five hopefuls in the first round of voting, won 387 and 485 votes respectively.

As a result, the post of the parliamentary speaker, vacated by Yeltsin after his election as Russian president, will not be occupied till autumn. Khasbulatov will chair the present parliament.

Northeast Asia

Qiao Shi Meets Japanese LDP Delegation

OW1207135591 Beijing XINHUA in English
1136 GMT 12 Jul 91

[Text] Beijing, July 12 (XINHUA)—Chinese Communist Party (CPC) leader Qiao Shi said here today that the friendly ties between the CPC and the Japanese Liberal Democratic Party (LDP) will continue to grow with the joint efforts of both sides.

Qiao, a Standing Committee member of the Political Bureau of the CPC Central Committee, made the statement in an hour-long conversation with Kunio Hatoyama, head of a visiting delegation of the LDP, in the Great Hall of the People here.

They talked about relations between the two parties as well as the situation in Asia and issues of the Middle East.

Kunio Hatoyama, a member of the Japanese House of Representatives, who is also in charge of the LDP's international affairs, and the LDP delegation arrived here yesterday on a three-day visit.

He expressed the hope that Japan and China will have more consultations on international and regional issues. He also expressed the conviction that the two countries will remain friendly neighbors no matter what happens in the world.

Qiao said that Western countries have recently changed their attitude towards China. The LDP and the Japanese Government have played a positive role in this respect.

Briefing the visitor on the situation in China, Qiao said that China is willing to broaden its exchanges with other countries, while relying mainly on its own efforts in construction.

Hatoyama said that he will work for more frequent exchanges between the two parties.

Present at the meeting was Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

Further on PRC-DPRK Treaty Anniversary

Kim Il-song Meets Delegation

OW1407174591 Beijing XINHUA in English
1631 GMT 14 Jul 91

[Text] Pyongyang, July 14 (XINHUA)—President of the Democratic People's Republic of Korea (DPRK) Kim Il-song today expressed profound concern over the damages caused by the ongoing flood in Jiangsu and some other Chinese provinces.

Meeting with the Sino-Korean friendship delegation headed by Han Xu, chief of the Chinese People's Association for Friendship With Foreign Countries, President Kim said he hopes the 20,000 tons of cement his country donated to China will be helpful to the reconstruction in the areas hit by the flood.

He said he warmly welcomes the Chinese delegation to visit his country on the occasion of the 30th anniversary of the signing of the friendship and cooperation treaty between China and the DPRK.

The treaty has contributed greatly to the development of bilateral ties, he added.

Editorial Commemorates Treaty

HK1207145991 Beijing RENMIN RIBAO in Chinese
11 Jul 91 p 4

[Editorial: "Brilliant Course of Sino-DPRK Friendship, Cooperation: Commemorating 30th Anniversary of Signing of Sino-DPRK Treaty of Friendship, Cooperation, and Mutual Assistance"]

[Text] Today is the 30th anniversary of the signing of the Sino-DPRK Treaty of Friendship, Cooperation, and Mutual Assistance. Full of deep affection for their fraternal people of Korea, the Chinese people extend their warm greetings on this day of historic significance.

Thirty years ago today, the leaders of the governments of the two countries signed a Sino-DPRK Treaty of Friendship, Cooperation, and Mutual Assistance in Beijing, which was a milestone in the history of Sino-Korean friendly relations and added an illustrious chapter to the annals of Sino-Korean friendship. The practice over the past 30 years has shown that this treaty has passed severe tests during the long years of fierce changes of international situations, thus showing its vigorous vitality. In accordance with the spirit of the treaty, China and the DPRK have strengthened and promoted their unity, friendship, sincere cooperation, and mutual assistance. This has not only promoted the overall development of relations between the two countries but also made great contributions to peace in Asia and in the whole world.

China and the DPRK are close neighboring countries linked by common mountains and rivers and as close as lips and teeth. The Sino-Korean friendship was personally fostered by the revolutionaries of the older generation, including Mao Zedong, Zhou Enlai, and Kim Il-song. For many years, the leaders of China and the DPRK have frequently met each other and exchanged the situations and views, enhancing mutual understanding and friendship. This guarantees that the relations of the two countries will unremittingly develop ahead. Over the past 30 years, China and DPRK have had wide-ranging, intensified, and diversified cooperation and exchanges in various fields of politics, economy, education, and science and technology, which have dynamically promoted the cause of socialist construction in both countries. The Chinese Government and people

are satisfied and pleased with the continued development of friendship and cooperation between the two countries.

Over the past 40 years and more, under the leadership of President Kim Il-song and the Workers' Party of Korea, the industrious and ingenious Korean people have unswervingly adhered to the socialist road, carried forward the spirit of hard struggle and self-reliance, overcome one difficulty after another, vigorously promoted national construction, and scored tremendous achievements. At present, the Korean people are struggling hard to carry out the third seven-year plan for the development of the national economy. In its relations with foreign countries, the DPRK has pursued the policy of independence, friendship, and peace and made unremitting efforts to steadily develop friendly relations with the peoples of various countries of the world and defend peace in Asia and the world. The Chinese people warmly congratulate the Korean people on their achievements and wholeheartedly wish them new and even greater success in the cause of socialist construction.

China and the DPRK supported and sympathized with each other in fighting for their respective national unity and in defending peace in Asia and the whole world. This vividly demonstrated the spirit of friendship and cooperation between our two countries. The Chinese people follow with great interest the development of the situation in the Korean peninsula and consistently support the party and government of DPRK for all their reasonable proposals on realizing the country's cause of self-determination, peace, and unification. We have seen with pleasure that the situation has changed positively in the Korean peninsula over recent years when the northern and southern sides increased contacts and tensions gave way to detente. This not only conforms to the interests of the Korean people and the desire of people in various countries but is also beneficial to peace in Asia. President Kim Il-song proposed that the unification of Korea be realized with a system of federation, based on the policy of "one nation, one country, two systems, and two governments." We hold this proposal is geared to the status quo in the Korean peninsula and is beneficial to the stability of situation there. Recently, the DPRK Government has officially decided to apply for United Nations membership and this move is widely welcomed internationally. The Chinese Government supports and appreciates the DPRK Government for adopting this giant, positive step. We have upheld historically that the realization of peace and unification in Korea should be based on dialogue and consultation exclusively among the Korean people.

The Chinese Communist Party and Government will do all they can, as they did in the past, to further develop the friendly relations between China and the DPRK. We believe that, guided by the spirit of the Sino-Korean Treaty of Friendship, Cooperation, and Mutual Assistance, the friendship and cooperation between the two parties, countries, and peoples will be further promoted and reap rich fruits.

Trade Union Congratulations

SK1307040891 *Beijing Radio Beijing in Korean*
1100 GMT 10 Jul 91

[Text] On the occasion of the 30th anniversary of the signing of the PRC-DPRK Treaty on Friendship, Cooperation, and Mutual Assistance, the PRC Federation of Trade Unions sent a congratulatory message to the General Federation of Trade Union of Korea [GFTUK].

The full text of the message reads:

To GFTUK:

On the occasion of the 30th anniversary of the signing of the PRC-DPRK Treaty on Friendship, Cooperation, and Mutual Assistance, we, on behalf of the entire workers of the PRC, extend our warmest greetings to the GFTUK and the fraternal Korean workers.

Over the past 30 years, the relations of friendship and cooperation between the PRC and DPRK have been constantly strengthened and developed according to the spirit of the treaty.

No matter how many changes may occur in the world situation in the future, we are convinced that the PRC and the DPRK, according to the spirit of the treaty, will constantly support and closely cooperate with each other in the socialist construction and in the cause of maintaining peace and security in Asian region, and that they will advance together in the mutual development while calling each other [word indistinct].

We sincerely wish the fraternal Korean workers and the Korean people a great and constant progress in the implementation of their grand goal of carrying out the Third Seven-Year Plan in the national economy and in the cause of realizing the independent and peaceful reunification. In addition, we sincerely wish that the relations of friendship and cooperation between the PRC and DPRK will be constantly developed.

Women's Union Greetings

SK1307090091 *Beijing Radio Beijing in Korean*
1100 GMT 10 Jul 91

[Text] On the occasion of the 30th anniversary of the signing of the PRC-DPRK Treaty on Friendship, Cooperation, and Mutual Assistance, All-China Women's Federation of our country on 7 July sent a message of greetings to the Central Committee of the Korean Democratic Women's Union. The gist of the message of greetings is as follows.

On the occasion of the 30th anniversary of the signing of the PRC-DPRK Treaty on Friendship, Cooperation, and Mutual Assistance, we, on behalf of the Chinese women, send our close Korean sisters our high respect and warm congratulations.

The China-Korea friendship was personally brought into being by the long-fought revolutionaries, such as Comrade Mao Zedong, Comrade Zhou Enlai, and Comrade Kim Il-song, and has a strong foundation.

We have continuously strengthened the friendly and cooperative relations between the peoples of our two countries, always sympathizing with and supporting each other.

The Chinese women resolutely support the assertion put forth by President Kim Il-song that the reunification of Korea should be realized by means of a confederal system based on one nation, one state, two systems, and two governments.

We, together with the Korean sisters, will make every effort to strengthen and develop solidarity, friendship, and cooperation between the peoples and women of China and Korea.

We wholeheartedly wish the Korean people and women new and greater success in the cause of socialist construction.

Shanghai's Wu Bangguo Meets Korean Amity Group

OW1407150491 Shanghai People's Radio Network in Mandarin 2200 GMT 11 Jul 91

[By station reporter (Yang Shukun)]

[Text] Wu Bangguo, secretary of the Shanghai Municipal CPC Committee and honorary president of the Shanghai Municipal People's Association for Friendship with Foreign Countries, last night met and feted at the (Hong-qiao) Guesthouse a delegation of the Korea-China Friendship Association led by Yi Cha-pang, member of the Central Committee of the Workers Party of Korea, chairman of Korea's State Science and Technology Committee, and chairman of the Korea-China Friendship Association.

On behalf of the Shanghai Municipal CPC Committee and the Shanghai Municipal Association for Friendship with Foreign Countries, Wu Bangguo warmly welcomed the Korean comrades' visit. He introduced the Korean comrades to new looks in Shanghai's socialist construction, which has been brought about under the CPC leadership.

Committee Chairman Yi Cha-pang was glad to see the achievements of China and Shanghai. He wished the Shanghai people happiness in their life.

S. Korean Parliament Approves UN Membership Bid

OW1307202691 Beijing XINHUA in English 0957 GMT 13 Jul 91

[Text] Pyongyang, July 13 (XINHUA)—The South Korean parliament today unanimously approved the bid of South Korea applying for membership in the United Nations, according to the Seoul radio monitored here.

The radio said both Kim Yong-sam, chairman of the ruling Democratic Liberal Party, and Kim Tae-chung, leader of the main opposition New Democratic Party, supported the approval.

The application is expected to be submitted to the U.N. General Assembly later this month or early August.

South Korea To Resume Talks With North

OW1307202491 Beijing XINHUA in English 1032 GMT 13 Jul 91

[Text] Pyongyang, July 13 (XINHUA)—South Korea has accepted a proposal by the Democratic People's Republic of Korea (DPRK) on the resumption of talks between South Korean Prime Minister Chong won-sik and DPRK Premier Yon Hyong-muk.

In a telephone message to his DPRK counterpart, Chong Won-sik said he has agreed to the proposal by Yon Hyong-muk on July 11 on the resumption of their talks in Pyongyang on August 27.

He proposed that liaison officials of both sides meet at Panmunjom on July 19 to make preparations for the talks, which will be the fourth round between the two government leaders since last September.

The fourth round, originally set for February in Pyongyang, failed to materialize as scheduled because of DPRK's protest against a U.S.-South Korean joint military exercise at the time.

Chen Junsheng, Delegation Return From Mongolia

OW1507072891 Beijing XINHUA in English 0644 GMT 15 Jul 91

[Text] Ulaanbaatar, July 15 (XINHUA)—The Chinese Government delegation headed by State Councillor Chen Junsheng left here for home today.

The delegation came to Mongolia on July 9 to attend the celebrations of the 70th anniversary of the Mongolian People's Revolution.

Seeing the Chinese guests off at the airport were Mongolian Assistant Premier C. Purebdorj and other senior officials.

Banquet Marks Anniversary of Mongolian Victory

SK1207084791 Hohhot Inner Mongolia People's Radio Network in Mandarin 1000 GMT 11 Jul 91

[Text] On the afternoon of 11 July, the Sino-Mongolian Friendship Association under the regional association for friendship with foreign countries held a film reception and a banquet to celebrate the 70th anniversary of the victory of the Mongolian People's Revolution.

Among those invited to attend the film reception and the banquet were Jundui Saara, consul general of the Mongolian Consulate General in Hohhot, his wife, officials of the consulate, and Mongolian specialists working in the autonomous region.

At the banquet, on behalf of the people of various nationalities in the autonomous region, He Yao, president of the Sino-Mongolian Friendship Association, first expressed festive greetings to the Mongolian people, also reviewed the friendly contacts between the friendship associations of China and the Mongolian People's Republic and the traditional friendship between the people's of the two countries, and hoped that the contacts and the friendship would be further developed.

At the banquet, Consul General Jundui Saara expressed thanks to the Sino-Mongolian friendship association for launching activities to mark the anniversary of the victory of the Mongolian People's Revolution.

He said that over the past year or so, he saw with his own eyes that the people in the autonomous region revere and support the leadership of the CPC.

He pledged to make efforts to expand the friendship contacts between the two countries.

Also attending the film reception and the banquet were (Li Quanju), vice president of the Sino-Mongolian Friendship Association; some directors of the association; and responsible persons of the regional foreign affairs office.

Southeast Asia & Pacific

UN, Paris Conference Members Meet in Beijing

OW1507084991 Beijing XINHUA in English
0812 GMT 15 Jul 91

[Text] Beijing, July 15 (XINHUA)—The five permanent members of the UN Security Council and the co-chairmen of the Paris Conference will hold a two-day meeting in Beijing on the Cambodia issue as of the afternoon of July 17, a Chinese Foreign Ministry spokesman announced here today.

The representative of the UN secretary-general will be invited to attend the meeting, he said.

Cambodian SNC Members Gather for Beijing Talks

Son Sann Interviewed

OW1207170091 Beijing XINHUA in English
1606 GMT 12 Jul 91

[Text] Bangkok, July 12 (XINHUA)—Son Sann, leader of the Khmer People's National Liberation Front, urged here today all members of the Cambodian Supreme National Council (SNC) to continue their efforts for an early settlement of the Cambodian problem.

In an exclusive interview with XINHUA at Bangkok International Airport before his departure for China, Son Sann said that "great progress" has already been made by the SNC members during their meeting in Phatthaya, but a comprehensive political settlement of the Cambodian issue needs more flexible attitude of and more concessions from the SNC members.

During their meeting from June 24 to 26 in Phatthaya, a coastal resort city about 150 km southeast of Bangkok, all the 12 SNC members reached agreement on the functions of the SNC, an indefinite ceasefire starting from June 24 throughout Cambodia and a halt to receiving foreign military assistance.

"That was a big step forward," Son Sann said, but adding that the Cambodian issue cannot be solved without the implementation of the framework document of the five permanent members (Perm-Five) of the U.N. Security Council on Cambodia.

"We have agreed on the ceasefire in Cambodia. We have agreed on the cessation of receiving foreign military aid," he said, stressing that "all these need the supervision of the United Nations."

Son Sann also urged the Perm-Five and the Coordinating Committee of the Paris International Conference on Cambodia (PICC) to help the SNC solve the Cambodian conflict.

As agreed upon by all the SNC members in Phatthaya, the next SNC meeting in Bangkok in August will discuss the key issue of how to implement the Perm-Five framework document. But if the Perm-Five and the PICC Coordinating Committee can help the SNC, then the Cambodian peace process could be quickened, Son Sann pointed out.

"So we urge the PICC Coordinating Committee to hold its meeting on Cambodia as soon as possible," he said.

At the request of Samdech Norodom Sihanouk, the SNC members will gather in Beijing next week for an informal meeting to discuss the Cambodian settlement.

The Beijing meeting will be very important and the SNC members will have a good opportunity to sit together for the first time in China to discuss the Cambodian issue, Son Sann said.

Son Sann said he will attend the Beijing meeting.

Samdech Norodom Ranariddh, SNC member and commander-in-chief of the National Army of Independent Kampuchea, left here this morning for Beijing to attend the SNC meeting.

Khieu Samphan, also member of the SNC and leader of the democratic Kampuchean side, will leave here for Beijing on Sunday.

It was reported that Hun Sen, SNC member from the Phnom Penh side, will also attend the meeting.

Hun Sen To Attend

OW1307115091 Beijing Central People's Radio Network in Mandarin 0930 GMT 13 Jul 91

[From the "National Hookup" program]

[Text] A spokesman of the Foreign Ministry announced today that the Cambodian Supreme National Council [SNC] work meeting sponsored by Prince Sihanouk will be held in Beijing on 16-17 July.

In answer to related questions by reporters, this spokesman also said: The Chinese side, at Prince Sihanouk's request, agrees that Hun Sen, as a member of the Cambodian SNC, will come to Beijing to attend the work meeting of the Cambodian SNC. The Chinese side will treat equally and without discrimination all members of the Cambodian SNC who come to attend the meeting. The foreign media reports that Hun Sen will be invited to make a 3-day visit to Beijing following the meeting are not true.

Son Sann, Khieu Samphan Arrive

OW1307151791 Beijing XINHUA in English 1439 GMT 13 Jul 91

[Text] Beijing, July 13 (XINHUA)—Members of the Supreme National Council (SNC) of Cambodia Son Sann, Ieng Muli, Khieu Samphan and Son Sen arrived in Beijing by plane today from Hong Kong and Bangkok, respectively.

They will attend the SNC working meeting, which will be held here on July 16 and 17.

Samdech Norodom Sihanouk, chairman and convener of the SNC meeting, and his wife Princess Monique Sihanouk greeted them at the airport.

Norodom Ranariddh Arrives

OW1407143891 Beijing XINHUA in English 1428 GMT 14 Jul 91

[Text] Beijing, July 14 (XINHUA)—Prince Norodom Ranariddh, member of the Supreme National Council (SNC) of Cambodia, and his wife flew in Beijing from Hong Kong today.

Ranariddh is to attend an SNC working meeting to be held here on July 16 and 17.

Ranariddh was greeted at the airport by Norodom Sihanouk's representatives.

Sihanouk Fetes SNC Members

OW1407124991 Beijing XINHUA in English 1211 GMT 14 Jul 91

[Text] Beijing, July 14 (XINHUA)—Prince Norodom Sihanouk, chairman and convener of the meeting of the Supreme National Council (SNC) of Cambodia, met

with and hosted a dinner for SNC members Son Sann, Ieng Mouli, Khieu Samphan and Son Sen at his residence here this evening.

The SNC members are here to attend an SNC working meeting to be held in on July 16 and 17. The meeting will be chaired by Prince Sihanouk.

Hun Sen, Others Arrive

OW1507102991 Beijing XINHUA in English 1005 GMT 15 Jul 91

[Text] Beijing, July 15 (XINHUA)—Members of the Supreme National Council (SNC) of Cambodia Hun Sen, Hor Nam Hong and Im Chhun Lim arrived in Beijing by air today from Hanoi via Nanning.

They have come to attend the SNC working meeting to be held here on July 16 and 17 under the chairmanship of Prince Norodom Sihanouk.

Hun Sen and his wife, Hor Nam Hong and his wife and Im Chhun Lim were greeted at Beijing Airport by Prince Sihanouk, chairman and convener of the SNC meeting, and his wife Princess Monique.

Yunnan Hosts Talks on Repatriating Lao Refugees

HK1107080291 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 10 Jul 91

[Text] Yesterday evening Provincial Vice Governor Bao Yongkang met with delegates from China, Laos and the UN High Commission for Refugees [UNHCR], who are holding talks on repatriating of Lao refugees from China, at Kunming's (Jinlong) Hotel.

At the meeting, Provincial Vice Governor Bao Yongkang and Xu Liugen, deputy director of the Office of the Leading Group for Indochinese Refugees under the State Council, had a cordial and friendly conversation with (I. Simpa), vice chairman of the Lao Committee of Social Welfare and National War Veterans, and (Punk), deputy director of the Asia-Pacific regional office of the UNHCR.

Bao Yongkang said: In accordance with the spirit of humanitarianism and internationalism, our province has properly helped settle refugees from Indochina, including Laos, since 1978. Now the three parties have held very successful talks in Kunming. On behalf of the Yunnan Provincial People's Government, I extend my congratulations to them.

After the meeting, delegates from China, Laos and the UNHCR signed a memorandum on repatriating Lao refugees from China. Responsible persons from the provincial foreign affairs office, provincial civil administration department, provincial general administration of reclamation, and other relevant departments attended the meeting and the signing ceremony.

Procuratorial Delegation Leaves for Australia

OW1207142191 Beijing XINHUA in English
1222 GMT 12 Jul 91

[Text] Beijing, July 12 (XINHUA)—A Chinese procuratorial delegation led by Zhang Siqing, deputy procurator-general of China's Supreme People's Procuratorate, left here this evening for a visit to Australia at the invitation of its attorney-general's department.

This is the first contact between the procuratorial departments of the two countries.

At noon, Australian Ambassador to China David Sadleir hosted a banquet for the Chinese delegation.

Envoy to Marshall Islands Presents Credentials

OW1107222491 Beijing XINHUA Domestic Service
in Chinese 1110 GMT 10 Jul 91

[Text] Beijing, 10 July (XINHUA)—According to a report from Majuro, Li Qiping, the first Chinese ambassador extraordinary and plenipotentiary to the Republic of the Marshall Islands, presented his credentials to Marshall Islands President Amata Kabua at the presidential office on 9 July.

After the ceremony, Ambassador Li Qiping conveyed Chinese President Yang Shangkun's greetings to President Kabua. The ambassador said: The Chinese Government attaches great importance to developing friendship and cooperation with the Republic of the Marshall Islands, and believes that through joint efforts there will be great opportunities for friendly cooperation between the two countries. President Kabua asked the ambassador to convey his regards to President Yang Shangkun, and expressed the hope for further growth of friendly and mutually beneficial relations between the two countries.

In the evening, President Kabua hosted a dinner for Ambassador Li Qiping.

The Chinese ambassador arrived in Majuro, the capital, on 8 July.

Near East & South Asia

Yemeni Consultative Council Delegation Visits

Meets CPPCC's Song Demin

OW1307155591 Beijing XINHUA in English
1326 GMT 13 Jul 91

[Text] Beijing, July 13 (XINHUA)—Song Demin, secretary-general of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), held talks with a delegation from the Consultative Council of the Republic of Yemen here today.

The Yemeni delegation is headed by Council Secretary-General Husayn 'Abdallah al-Maqdami.

During their talks, Song briefed the guests on the role of the CPPCC and the cooperation between the Chinese Communist Party and other parties, as well as the economic situation in China.

The Yemeni delegation arrived here July 12 at the invitation of the CPPCC.

The Yemeni guests are scheduled to leave here July 15 for a tour of Chinese cities of Shanghai and Xiamen.

Meets Wang Zhen

OW1307162891 Beijing XINHUA in English
1355 GMT 13 Jul 91

[Text] Beijing, July 13 (XINHUA)—Chinese Vice-President Wang Zhen met here today with a delegation from the Consultative Council of the Republic of Yemen (CCRY).

Led by CCRY Secretary General, Husayn 'Abdallah al-Maqdami, the delegation is the first to visit China since the CCRY established ties with the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

Wang, representing the Chinese Government and people, expressed his welcome to the delegation and his congratulations on Yemen's unification.

Wang said that in China's modern history, the Chinese people fought stubbornly against brutal imperialist aggressions. The Chinese nation and people finally achieved liberation under the leadership of their great leader Mao Zedong and the Communist Party of China (CPC).

Wang pointed out that China will resolutely stick to the road guided by Marxism-Leninism and Mao Zedong thought, carrying on the revolutionary cause from generation to generation.

He said that some people have said that Marxism is suffering setbacks. "But we don't think so," Wang stressed, adding that Marx, Engels, Lenin and Stalin left for mankind valuable spiritual treasures which will lead mankind to complete liberation and bring about a social system in which there is only real freedom, equality and peace, free from suppression and exploitation of man by man.

During the meeting, Wang also briefed the guests on China's system of multi-party co-operation and political consultation under the CPC's leadership.

Al-Maqdami said that he and his party were pleased with the briefing, and that he highly respected the great achievements made by the Chinese people under the CPC's leadership.

He also conveyed greetings from the Yemeni leaders to the Chinese leaders. Wang expressed his thanks for this and asked Al-Maqdami to convey best wishes from

Chinese President Yang Shangkun and CPPCC Chairman Li Xiannian to the Yemeni president and people.

Meets Wang Renzhong

OW1307175291 Beijing XINHUA in English
1410 GMT 13 Jul 91

[Text] Beijing, July 13 (XINHUA)—Wang Renzhong, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) met here today with a delegation from the Consultative Council of the Republic of Yemen (CCRY).

During the meeting Wang expressed a welcome to the delegation, which is led by CCRY Secretary General Husayn 'Abdallah al-Maqdami, and his delight at the establishment of ties between the CPPCC and the CCRY. He said that all this showed that friendly relations between the two countries are developing.

Wang said that exchange of visits between the two sides will further strengthen their mutual understanding and promote the development of the bilateral relationship.

Al-Maqdami said his current visit has taught him about China's development and its great achievements, adding that exchange of visits between the CPPCC and the CCRY will further strengthen ties between the two organizations and promote co-operation between China and Yemen and between their peoples in all fields.

Al-Maqdami also expressed the wish of the Yemeni side to expand co-operation between the two countries.

In the evening Wang hosted a dinner in honor of the guests.

Departs Beijing for Shanghai

OW1507020291 Beijing XINHUA in English
0119 GMT 15 Jul 91

[Text] Beijing, July 15 (XINHUA)—A delegation from the Consultative Council of the Republic of Yemen (CCRY) led by its secretary-general Husayn 'Abdallah al-Maqdami left here by plane this morning to tour Shanghai and Xiamen in east China.

The delegation arrived in Beijing on July 12 at the invitation of the Chinese People's Political Consultative Conference (CPPCC). This is the first CCRY delegation to visit China.

Omani Culture Minister Continues Visit

Meets Wang Zhen

OW1207141391 Beijing XINHUA in English
1149 GMT 12 Jul 91

[Text] Beijing, July 12 (XINHUA)—Chinese Vice-President Wang Zhen met with Faysal Bin-'Ali al Sa'id, Omani minister of national heritage and culture, and his party here today.

They had a friendly conversation on international issues of common concern and on bilateral relations.

Wang said that, at present, some international hegemonists are attempting to press their ideas upon the Chinese people. "On the one hand, we are not afraid of this; on the other, we have got to be prepared," he said, adding, "the Chinese people cannot be frightened."

Faysal al Sa'id is here to attend "Omani Culture Week", starting July 9, on the occasion of the 10th anniversary of the arrival of the Omani traditional vessel "Sohar" in Guangzhou.

Wang, on behalf of the Chinese Government and people, extended a warm welcome to the Omani guests and said that when Faysal al Sa'id visited China in 1959 the late Chairman Mao Zedong and Premier Zhou Enlai met with him. This has been remembered in the history of friendly contacts between the two peoples.

He noted that Oman is a nation with an ancient civilization and the Omani people have contributed their wisdom to the progress of world civilization. He said he appreciated the Omani Government's efforts to promote Sino-Omani friendship, in particular, through bilateral cultural exchanges.

The Chinese Government and people treasure very much the bilateral friendly co-operative relations and attach importance to the Omani culture week, Wang said, adding that the two countries and peoples should be friendly to each other from generation to generation.

During the 40-minute meeting Faysal al Sa'id said the Omani Government and people regard the culture week as an important event in Oman-China friendship and he thanked the Chinese Government and people for their co-operation in this regard.

Wang asked Faysal al Sa'id to convey his and President Yang Shangkun's greetings to Omani head of state Sultan Qabus Bin-Sa'id, while Faysal al Sa'id also passed on regards from Sultan Qabus to Yang and Wang.

Attends Folklore Evening

OW1207145491 Beijing XINHUA in English
1326 GMT 12 Jul 91

[Text] Beijing, July 12 (XINHUA)—Chinese acting Minister of Culture He Jingzhi and Minister of National Heritage and Culture of the Sultanate of Oman Faysal Bin-'Ali al Sa'id co-sponsored an Omani folklore evening at the Nationalities Palace of Culture here this evening.

The folklore evening was part of the "Omani Culture Week", which is being held to mark the 10th anniversary of the arrival of the reconstructed ancient Omani boat "Sohar" in Guangzhou, south China.

The song and dance ensemble of the Sultanate of Oman performed traditional songs and dances, to warm applause.

Among the 800 people in the audience were Vice-Chairman of the Chinese National People's Congress Standing Committee Peng Chong, Vice-Foreign Minister Qi Huaiyuan and Omani Ambassador to China Mushtaq Ibn-'Abdallah Ibn-Ja'far.

Libyan Congress Delegation Ends Visit, Departs

OW1407090191 Beijing XINHUA in English
0803 GMT 14 Jul 91

[Text] Beijing, July 14 (XINHUA)—Mahmud Hamid al-Khafifi, assistant secretary of the Libyan General People's Congress, left Beijing by plane today for Hong Kong.

Al-Khafifi started his China visit on July 10 at the invitation of the Chinese Communist Party.

In an interview with XINHUA before he concluded his visit, Al-Khafifi expressed the belief that the cooperative relations between Libya and China in the economic, political and cultural fields would be further developed.

Al-Khafifi said both Libya and China are developing countries and there exist close relations between the two countries.

He spoke highly of the great achievements China has made in socialist construction over the recent years, which, he said, had "deeply impressed" him and his delegation.

Syria Accepts Bush's Mideast Peace Proposals

OW1507093391 Beijing XINHUA in English
0759 GMT 15 Jul 91

[Text] Damascus, July 15 (XINHUA)—President Hafiz al-Asad said he found U.S. President George Bush's proposals for Middle East peace talks are "an acceptable base" to achieve a peace process in the region, the official SYRIAN ARAB NEWS AGENCY SANA reported Sunday.

In a letter to respond to Bush's proposals for holding a peace conference, Al-Asad said that the U.S. proposals are "positive and balanced and constitute an acceptable base to reach a comprehensive solution and achieve a peace process in the region."

The letter was handed over Sunday to the U.S. ambassador to Syria, Edward Djerejian, SANA said.

The United States proposed to hold direct peace talks between Israel and the Palestinians on the future of the Israeli-occupied West Bank and Gaza Strip. And there would be a simultaneous peace conference sponsored by Washington and Moscow involving Israel and its Arab neighbors.

SANA said that Al-Asad expressed satisfaction "because Bush's proposals are based on the principle of international legitimacy and a U.N. role in the peace conference."

Syria has demanded an international conference with the participation of the five permanent members of the United Nations Security Council.

But Israel has insisted on a regional conference with no U.N. role, which would include only a formal opening and then break up into separate talks between Israel and each Arab state and the Palestinians.

The Syrian response was described here as an improved chance for the efforts to push forward the Mideast peace process.

According to an Arab diplomatic source here, Syria's timely response "threw the ball back into the Israel's court."

Iraq Rejects Nuclear Capability Allegations

OW1207115191 Beijing XINHUA in English
0911 GMT 12 Jul 91

[Text] Cairo, July 12 (XINHUA)—Senior Iraqi officials rejected U.S. President George Bush's allegation that Iraq is still hiding its nuclear capabilities from United Nations inspection teams, reports reaching here today said.

Iraqi Deputy Prime Minister Tariq 'Aziz, in a statement Thursday to the IRAQI NEWS AGENCY, described Bush's statement as 'vulgar and illogical.'

Bush told a news conference at the White House Wednesday that Iraqi President Saddam Husayn failed to fully disclose his nuclear capabilities to two U.N. inspection teams that visited Iraq recently.

Bush said, "I think there is still reason to believe he is hiding and not come totally clean."

The reports quoted unidentified U.S. Administration sources as saying Thursday that the U.N. teams had found that Iraq possessed enough enriched uranium to produce 20 to 40 nuclear weapons within 10 years.

Tariq also criticized Bush for taking different attitudes toward sanctions imposed on South Africa and Iraq respectively for racial discrimination and invasion of Kuwait, saying that "Bush used two different kinds of logic and two kinds of language at the same news conference."

Bush announced Wednesday that the United States would lift sanctions against South Africa on grounds that progress toward the dismantling of apartheid had been made in that country.

Iraqi Information Minister Yusuf Hammadi charged in a separate statement that the United States was waging a "disinformation campaign against Iraq's peaceful nuclear program," the reports said.

Hammadi was quoted as arguing that Iraq had informed the U.N. Security Council of the quantities of enriched uranium in its possession.

Political & Social

Bo Yibo Writes Inscription for Relics Store

OW1007203491 Beijing XINHUA in English
1349 GMT 10 Jul 91

[Text] Beijing, July 10 (XINHUA)—The "Zhengyi Tower", a store specialising in sales of replicas of cultural relics, opened today in Beijing.

Located in the "Zhengyangmen" (Zhengyang city-gate) near Tiananmen Square in the city center, the store has an area of 400 sq m for displaying and selling the reproductions and other cultural crafts co-produced by the Yihai Industrial Company and the palace museum. The store so far has more than 1,000 replicas of historical relics.

Bo Yibo, vice-chairman of the Central Advisory Commission, wrote the store's name in his own calligraphy to congratulate it on its opening.

The Yihai Industrial Company is a township enterprise in Beijing's Tongxian County.

Deng Inscribes Revolutionary Martyrs' Biography

OW1107015891 Beijing XINHUA Domestic Service
in Chinese 0842 GMT 5 Jul 91

["All Volumes of the *Biography of Revolutionary Martyrs* Are Published; by reporter Sun Benyao (1327 2609 1031)"—XINHUA headline]

[Text] Beijing, 5 Jul (XINHUA)—The *Biography of Revolutionary Martyrs* (in 10 volumes), the first comparatively systematic and complete biographical work in our country during the period of new democracy, has come off the press.

The Central Party History Research Center of the CPC Central Committee held a press conference for the publication of all volumes of the *Biography of Revolutionary Martyrs* in the Great Hall of the People today. Leading comrades Song Renqiong, Xiao Ke, Feng Wenbin, and Li Rui, and personages of the relevant departments attended the press conference.

Wen Jize [3306 3444 3419], editor in chief of the editorial board for the *Biography of Revolutionary Martyrs*, gave a briefing on the compilation of the book at the press conference.

He said: The *Biography of Revolutionary Martyrs* lists the biography of about 1,000 martyrs during the period of the new democratic revolution. Included in the book on the biography of martyrs are Li Dazhao, Qu Qiubai, Cai Hesen, Xiang Jingyu, Deng Zhongxia, Su Zhaozheng, Peng Pai, Chen Yannian, Yun Daiying, Zhao Shiyan, and Zhang Tailei, important leaders of the CPC during its early stage; Fang Zhimin, Liu Zhidan, Huang Gonglue, Xu Jishen, Wei Baqun, Dong Zhentang, Duan Dechang, Yang Jingyu, Zuo Quan, and Ye Ting, outstanding generals of the people's army who laid down their lives for the party and the

country; a number of cadres at the middle level and the grass-roots units, and ordinary party members of the party; many members of the socialist Communist Youth League as well as some ordinary people who support the revolution; personages of the left wing of the Chinese Kuomintang [KMT]; generals of the KMT army who fought in the War of Resistance Against Japan; patriots and democratic personages; and international friends who sacrificed themselves for the cause of China's revolution on the soil of China.

Wen Jize said: The martyrs included in the biography were outstanding representatives of the millions of people who had died for the revolutionary cause. They were the forerunners of China's revolution and the elite of our Chinese nation. They had lofty ideals, the great spirit of dedicating one's life to a cause, pure and noble moral values, awe-inspiring righteousness, and unyielding integrity and, therefore, are the models for us as well as our succeeding generations to emulate.

The compilation of the *Biography of Revolutionary Martyrs* was suggested by Comrade Li Weiham during his lifetime. The leading comrades of the central authorities and the proletarian revolutionaries of the older generation attached importance to his suggestion. The inscriptions written by Comrade Jiang Zemin for the *Biography of Revolutionary Martyrs* reads: "Learn from the spirit of dedication of the revolutionary martyrs and vigorously struggle for China's regeneration." Comrade Deng Xiaoping also wrote an inscription for the book. His inscription reads: "Use the deeds and achievements of the revolutionary martyrs to educate our succeeding generations. Always be a revolutionary; always be a socialist that serves the collective cause of the masses of the people; and always be a communist like our revolutionaries of the older generation and like our martyrs." Comrade Chen Yun inscribed the title of the book. Comrade Li Xiannian wrote a preface for the book.

Addressing the conference, Song Renqiong pointed out: Glorifying the revolutionary martyrs by erecting monuments to them and writing their biography is a good thing that we have done for the party and the people. We must use the *Biography of Revolutionary Martyrs* as a textbook to conduct education in revolutionary traditions among the whole society. A written statement by Cheng Siyuan was announced at the conference.

A briefing on the compilation of the *Biography of the Martyrs of the Liberation Army* was also given at the conference.

Li Peng Writes Inscription on New Magazine

OW1407030891 Beijing XINHUA Domestic Service
in Chinese 1227 GMT 11 Jul 91

[By reporter Zhang Chaowen (1728 6389 2429)]

[Text] Beijing, 11 Jul (XINHUA)—"ELECTRIC POWER" [DIAN QI 7193 3049], China's first magazine in English introducing to the world the construction and development of China's electric power industry and

electrical engineering equipment manufacturing industry, was formally published and circulated today. State Council Premier Li Peng inscribed on the magazine: "Strengthen international exchanges and promote development of China's electric power."

The magazine *ELECTRIC POWER* in English has been established by China's Society of Electrical Engineering. Zhang Fengxiang, president of the society, said in his briefings: China's Society of Electrical Engineering, established in 1934, is one of the academic organizations with a long history in China. At present, it has more than 87,000 members within China and abroad who are scattered throughout departments of electric power, electrical engineering manufacturing, metallurgy, and railways, as well as institutions of higher learning. It is a nongovernmental, academic organization extending across various departments and professions with certain levels of influence within China and abroad. It has quite a number of the country's first-class experts and scholars. Jiang Zemin and Li Peng are senior members of this society.

According to sources, this English magazine is issued quarterly. As a window for propaganda and reports on China's power industry to the outside world, it will provide promptly to the outside world the latest information on China's energy resources, electric power, and electrical engineering equipment manufacturing industry; strive to forge international cooperation and academic exchanges in these areas between China and foreign countries; and promote development in China's power industry.

Li Peng, Others at Procuratorial News Inauguration

OW0507180091 Beijing XINHUA Domestic Service
in Chinese 0607 GMT 4 Jul 91

[By RENMIN RIBAO reporter Mao Lei (3029 4320) and XINHUA reporter Chen Yan (7115 7159)]

[Text] Beijing, 4 July (XINHUA)—In a ceremony today at the Great Hall of the People in Beijing, it was announced that "ZHONGGUO JIANCHA BAO" [0022 0948 2914 1390 1032 CHINA PROCURATORIAL NEWS], the title of which was written by Comrade Deng Xiaoping, had begun publication. Li Peng, Wan Li, Wang Zhen, Bo Yibo, Song Renqiong, Fei Xiaotong, Lei Jieqiong, Wang Hanbin, Zhou Peiyuan, and others separately wrote inscriptions for this newspaper.

The aim of "ZHONGGUO JIANCHA BAO," as the organ of the Supreme People's Procuratorate, is to comply with party and state central tasks and to serve the people's procuratorial needs.

Chen Pixian and Peng Chong, vice chairmen of the National People's Congress Standing Committee, were present to extend congratulations and spoke separately. They expressed the hope that "ZHONGGUO JIANCHA BAO" will be geared to the needs of society, stick close to realities, strive to publicize the party and government's results in punishing graft, bribery, and other corrupt

phenomena; publicize the lofty sentiments of state functionaries who are faithful in discharging their duties, are honest, just, clean-handed, and clearheaded; and strengthen socialist democracy and the legal system through the media's propaganda.

Liu Fuzhi, procurator general of the Supreme People's Procuratorate, also spoke at the meeting.

Bo Yibo, Others Chair New History Magazine

OW1007152691 Beijing XINHUA Domestic Service
in Chinese 0658 GMT 8 Jul 91

[By XINHUA reporter Dou Guangsheng (4535 1639 3932)]

[Text] Beijing, 8 July (XINHUA)—The bimonthly magazine "YAN HUANG CHUN QIU" [YELLOW EMPEROR JOURNAL 3508 7806 2504 4428], which primarily focuses on extolling outstanding persons throughout China's history, reviewing the development process of the nation, reflecting the struggles of people's lives, and depicting the humanistic aspects of the people of China, was published on 1 July this year.

The "YAN HUANG CHUN QIU" magazine was launched by the Society for Study of Yan Huang Culture. Bo Yibo and Li Zhengdao are the honorary chairmen, Zhou Gucheng the chairman, and Xiao Ke the executive chairman of the society.

The pilot issue of "YAN HUANG CHUN QIU" includes articles such as "The Thought Process of Young Mao Zedong," "The Other World of Zhou Enlai," which depicts tortuous experiences and anecdotes in the lives of well-known revolutionists such as Mao Zedong, Zhou Enlai, Luo Ruiqing, and Li Kenong; "Silence Is Not Necessarily a Sign of Resistance," the inside story of Zhang Xueliang during the 18 September incident; and "My Father Lin Yutang," an article written in memory of reputed intellectual Lin Yutang; most of the articles published are exclusive to the bimonthly. The pilot issue also includes talks by Li Ruihuan, Bo Yibo, and others on carrying forward the outstanding culture of the nation.

At the symposium held to launch the magazine at the XINHUA NEWS AGENCY Plaza this morning, Xiao Ke and other speakers held that "YAN HUANG CHUN QIU" is a very unique magazine that should be well received by the reading public.

Chen Junsheng Inspects Xinjiang Conservation Work

OW0507122391 Beijing XINHUA Domestic Service
in Chinese 0328 GMT 3 Jul 91

[By reporter He Yanping (0149 4291 1627)]

[Text] Urumqi, 3 Jul (XINHUA)—State Councillor Chen Junsheng and responsible comrades from relevant departments under the State Council inspected agricultural development zones, impoverished areas, and the Xinjiang Production and Construction Corps' frontier farms from 20 to

30 June. During the inspection tour, Comrade Chen Junsheng said emphatically: The development of water conservancy projects is the key to promoting Xinjiang's economic development, and enhanced unity is the guarantee of social stability and prosperity.

Chen Junsheng affirmed the excellent situation characterized by unity, stability, and development achieved by Xinjiang through the joint efforts of cadres of all nationalities and people. He also commended Xinjiang's tremendous contributions to the state. Since 1985, Xinjiang has sent 1.2 billion kg of grain and 10.4 million dan of cotton to other parts of the country; it has exported 7.68 million dan of cotton. Despite the serious drought this year, people of all nationalities worked hard in unison and went all out to fight the disaster. A bumper harvest in agriculture is still attainable, and this increases the likelihood of reaping bumper crops for 14 consecutive years.

Chen Junsheng said: Xinjiang is a multinational region located in border areas. Unity and stability are very important. To ensure ethnic unity, it is imperative to embrace the Marxist view on nationalities and to achieve genuine equality for all nationalities. One of the chief principles for building socialism with Chinese characteristics is to foster and develop socialist ethnic relations based on equality, mutual assistance, unity, cooperation, and common prosperity; to uphold and improve the system of self-government for minority areas; and to resist ethnic discrimination, oppression, and division. This principle should be upheld under all circumstances at all times.

Chen Junsheng added: The economy must be further developed to build up and maintain the current strong momentum in Xinjiang. Water is the primary factor in the development of Xinjiang's economy as well as a strategic element impacting the overall interests. Industry, agriculture, production, everyday activities, and ecological conditions in Xinjiang all depend on water. The maintenance and development of agriculture in oases requires water, so do prospecting for petroleum and natural gas, the petrochemical industry, and mining for coal and nonferrous metals that has been incorporated into work programs. Water affects Xinjiang's ability to sustain development. Its importance and urgency must be thoroughly understood by cadres of all nationalities at all levels and by the broad ranks of people.

Chen Junsheng said: Xinjiang abounds in water resources. The amount of its surface and underground water equals the combined flow of the Huang He, Huai He, and Hai He in any given year. These water resources have enormous potential for development and utilization.

Chen Junsheng said: The general guideline for developing Xinjiang's water resources is to take various interests into consideration, draw up overall plans, stress multipurpose usage, adopt comprehensive measures, and carry out relevant plans step by step. In planning Xinjiang's development and construction, relevant

departments under the State Council and local governments must pay close attention to this guideline and must not deviate from it.

Chen Junsheng said: Currently, it is necessary to concentrate on developing small- and medium-scale water conservancy projects. The autonomous region and the production and construction corps should build medium-scale projects, while counties and townships should build small ones. Localities should map out their own plans and build such projects by themselves instead of awaiting assistance from the state. Digging wells to draw underground water is a practical and viable method. Moreover, it is essential to do an effective job in saving water. Despite shortages, the way water is squandered in Xinjiang is shocking. Chen Junsheng also called for effectively using and protecting Xinjiang's peculiar water conservancy projects—karezes [irrigation systems of wells connected by underground channels].

During the 10-day tour, the fact-finding group traveled day and night, visiting Altay, Ili, Turpan, Shihezi, and Kashi, which are located either south or north of the Tian Shan.

Peng Chong Speaks on Processing NPC Suggestions

*OW1007214191 Beijing Central People's Radio
Network in Mandarin 0930 GMT 9 Jul 91*

[From the "National Hookup" program]

[Text] Earnestly processing and responding to the suggestions, criticisms, and opinions of deputies to the National People's Congress [NPC] have become an important task in implementing the system of people's congresses. The task is being gradually standardized and systematized. The NPC Standing Committee held a briefing and discussion meeting at the Great Hall of the People today to further exchange experiences in processing suggestions made by deputies, to hear the deputies' opinions on processing work, to accept the deputies' examination of the way suggestions are processed, and to improve the task of processing suggestions.

It is learned that deputies made or expressed a total of 4,018 suggestions, criticisms, and opinions at the fourth session of the Seventh NPC. As of 8 July, the general office of the NPC Standing Committee received 2,694 responses from various processing units to the deputies. The amount accounted for approximately 67 percent of the total. Representatives of processing units from the State Planning Commission, the State Science and Technology Commission, the State Education Commission, and the people's governments of Sichuan, Zhejiang, and Heilongjiang Provinces briefed participants of the meeting on their experiences and understanding regarding the task of processing suggestions. A dozen or so representatives spoke successively after hearing the briefings. They essentially approved of the way suggestions have been processed and set further demands for improving work in this respect.

The meeting was presided over by Cao Zhi, deputy secretary of the NPC Standing committee. Peng Chong, vice chairman and secretary general of the NPC Standing Committee, spoke. He said: Generally speaking, this year has seen progress in processing suggestions when compared to last year. He said: Processing motions, suggestions, criticisms, and opinions put forward by deputies is not equivalent to processing letters from the general public. It is an important task in upholding and improving the system of people's congresses that is suitable for our country's national conditions.

Peng Chong expressed the hope that all processing units will constantly improve their understanding of the task of processing suggestions and perform the task in a down-to-earth manner.

Namelist of NPC Standing Committee Adopted

OW2906115691 Beijing XINHUA Domestic Service
in Chinese 0944 GMT 29 Jun 91

[Namelist of Appointments and Dismissals of the National People's Congress (NPC) Standing Committee Adopted by the 20th Meeting of the 7th NPC Standing Committee on 29 June 1991]

[Text] Beijing, 29 Jun (XINHUA)—1. Lei Xian [7191 6897] and Luo Ji [5012 6549] have been appointed members of the Procuratorial Committee of the Supreme People's Procuratorate.

2. Xu Tongchang [1776 0681 2490], Li Fanmin [2621 0416 3046], and Lu Anren [6424 1344 0088] have been relieved of their posts as procurators of the Supreme People's Procuratorate.

3. Lei Xian, Chen Weidian, Lin Youhai [2651 2589 3189], Hao Yinfei (female) [6787 6892 7378], Yu Bin [0060 2430], and Li Shukun [2621 2885 2492] have been appointed as procurators of the Supreme People's Procuratorate.

Reports Continue on Flood Damage, Countermeasures

Jiang Zemin Inspects Jiangsu

OW1307202791 Beijing XINHUA Domestic Service
in Chinese 0633 GMT 12 Jul 91

["Sixty-one Thousand Victims in the Low-Lying Area of Lixia He, Jiangsu, Transferred to Safe Places"—XINHUA headline]

[Text] Nanjing, 12 Jul (XINHUA)—Sixty-one thousand victims who have been stranded by flood waters in the low-lying area of Lixia He, Yangzhou, which has been battered by flooding and waterlogged for days, have been promptly evacuated to safe places. Food departments are working at full capacity day and night to process bread, biscuits, uncooked noodles, and instant noodles to support the victims.

Jiangsu's Lixia He area is situated between the main irrigation canal of the irrigation district in northern

Jiangsu and the Tongyang Canal. This area has been battered by thunderstorms successively since 28 June, with rainfall registered at more than 500 mm. Xinghua City registered 821 mm. The water level reached 3.28 meters on 11 July, exceeding the warning line by 1.28 meters, seriously threatening people's lives and property.

Upon learning the seriousness of the flood situation in Lixia He area, Comrade Jiang Zemin, who is inspecting the flood situation in Jiangsu Province, told leading comrades of the provincial party committee, provincial government, and the Nanjing Military Region: The Lixia He area is a low-lying area. It would be hard to imagine what it would be like when there are heavy rainstorms there. It is necessary to adopt resolute measures to protect the lives of the victims. The Jiangsu Provincial Party Committee and the provincial government immediately made specific arrangements. The Nanjing Military Region also immediately dispatched military units to rescue the stranded victims.

As of yesterday, 300,000 victims in Xinghua City, where the flooding is most serious, had been promptly evacuated.

Li Peng Briefed

OW1507115291 Beijing XINHUA Domestic Service
in Chinese 0850 GMT 15 Jul 91

[By reporters Zhao Peng (6392 7720) and He Ping (0149 1627)]

[Text] Beijing, 15 Jul (XINHUA)—Premier Li Peng, who had just concluded a six-nation Middle East tour, went immediately to the State Flood Control Headquarters upon returning to Beijing this morning to obtain firsthand information about the flood conditions, disaster damage, and arrangements for resisting and controlling flooding. He urged all localities to, under the State Flood Control Headquarters' unified leadership, make concerted efforts to fight flooding and be prepared for another flood crest which may reoccur again.

In spite of jet lag, the travel-worn premier rushed to the State Flood Control Headquarters at 1040 [local time]. In the office of the headquarters, where all kinds of charts are hung on the walls, he was briefed by Yang Zhenhuai, minister of water resources and deputy head of the Flood Control Headquarters, together with Tian Jiyun, vice premier and head of the Flood Control Headquarters, and Luo Gan, secretary general of the State Council.

Yang Zhenhuai gave a briefing on the flood conditions, disaster damage, and anti-flood works in the basins of the Huai He, Tai Hu, and Chu He, a tributary of the Chang Jiang. He said: Since mid-May this year, a gigantic rain belt has hovered over the Chang Jiang, Huai He, and Tai Hu Valley areas, pouring down rain-falls rarely seen before and causing extensive waterlogging and flooding over vast areas. Timely efforts were made to direct, divide, and store the flood waters, thereby ensuring the safety of the Huai He main dike as

well as the power plants and coal mines along the Huai He, large and medium-sized cities in the Tai Hu Lake Valley, and the trunks of Shanghai-Nanjing and Shanghai-Hangzhou railways.

Yang Zhenhuai pointed out: The most important task at the present is to effectively drain waterlogged areas and repair damaged works for stopping breaches, while instructing victims to help themselves by engaging in production. Meanwhile, it is necessary to resolutely remove obstacles along the course of the floods, and make full preparations for concentrating efforts to improve the work of weak links. All localities should, under the State Flood Control Headquarters' unified command, continue to display the spirit of subordinating local interests to the national interests in striving to minimize the damage done by the disaster.

Communique Issued

OW1407181891 Beijing XINHUA Domestic Service
in Chinese 0916 GMT 14 Jul 91

["Today's Flood Situation Communique"—XINHUA headline]

[Text] Beijing, 14 Jul (XINHUA)—The State Flood Control Headquarters issued a flood situation communique at 0800 [2300 GMT] today.

According to the communique, the second flood peak of Huai He's main stream has passed through the Zhengyangguan Station in Anhui's Shouxian County. The water level has begun to drop. All the flood diversion sluice gates for Chengxi Hu were closed at 0800 [2300 GMT] today to divert about 500 million cubic meters of flood water in order to reduce the threat from the flood waters of Huai He's main stream. The flood peak is moving toward Bengbu City. As the water level in the lower reaches of the river below Zhengyangguan is still high, the masses along the river are stepping up their guard.

Due to a considerable amount of rainfall yesterday, the water level of Tai Hu rose to 4.77 meters at 0800 [2300 GMT] today, 0.02 meters higher than yesterday and 0.12 meters higher than the peak water level in 1954.

At Hankou Station, the flow of the Chang Jiang was 60,800 cubic meters per second at 0800 [2300 GMT] today. The water levels at various stations along the mainstream section of the river between Jianli and Nanjing exceeded the warning line by 0.06-1.8 meters, and are still rising.

Since 29 June, the amount of rainfall in areas along the river and near lakes in Hubei Province and in northeast and southeast Hubei has exceeded 500 mm. In Macheng, Huangpi, Hanchuan, Hanyang, Xinzhou, Luotian, and other counties and cities more than 800 mm of rain has fallen, with the amount of rainfall in some areas reaching as high as between 900 and higher than 1,000 mm. This has resulted in a fairly serious flooding disaster.

Ministry Notes Losses

OW1407093291 Beijing XINHUA in English
0747 GMT 14 Jul 91

[Text] Beijing, July 14 (XINHUA)—China's worst floods in a century have caused great losses in Hubei, Guizhou, Anhui and Sichuan Provinces, according to incomplete statistics from the Ministry of Civil Affairs today.

In Hubei Province, central China, from June 29 to July 10, 177 people were killed and more than 8,000 people injured in the continuous torrential rains which damaged 1.8 million hectares of crops. The floods caused a loss of more than 6 million tons of grain.

The natural disaster has affected 26 million people in 67 counties and cities in the province, destroyed 170,000 houses in 2,200 villages, and washed out highways, bridges and culverts.

The disaster has already caused an economic loss of 3.6 billion yuan in Hubei.

In Guizhou Province, southwest China, about 20 million people in 56 counties and cities suffered from torrential rains and flooding.

Some 320,000 houses were damaged or destroyed by the floods in Guizhou. Over 250 people died and 1,500 others were severely injured. A total of 1,500 enterprises, including mines, steel plants and power stations, suffered heavy losses. The province's direct economic loss totaled 500 million yuan.

In Sichuan Province, also in southwest China, rainstorms and flooding since May of this year affected 2.25 million people and caused a death toll of 323 people. More than 160,000 houses were destroyed and 50,000 people became homeless.

Over one billion kg of grain and other crops in over 50,000 hectares of farmland were devastated by the floods. The province's direct economic loss reached over two billion yuan.

In Anhui, one of the worst-hit provinces in east China, over 3 million people were trapped by flooding, and some 1.3 million of them have been evacuated. But the one million others are still waiting for rescue due to the shortage of boats.

According to the Ministry of Civil Affairs, rubber boats are badly needed in Anhui Province now.

Government Support Reported

OW1107131991 Beijing XINHUA in English
0655 GMT 11 Jul 91

[Text] Beijing, July 11 (XINHUA)—The Chinese ministries and other central government organs are taking measures to support the people in the flood-stricken areas in their struggle against floods, "ECONOMIC DAILY" [JINGJI RIBAO] reported today.

The Ministry of Railways convened an emergency meeting on Tuesday and called on the national railway network to ensure the transport of emergency goods to the flood-stricken areas.

At the same time, it demanded that the railway bureaus maintain the smooth operation of all rail lines and repair and reopen the flooded sections of track as soon as possible.

The Ministry of Communications stressed that the transportation units and corporations in the localities should take the initiative in assisting the flood-hit regions to give them timely help.

The transportation units were also told to take measures to reconstruct the damaged highways, bridges and tunnels so as to ensure the availability of transportation.

The Ministry of Agriculture has allocated 150,000 tons of chemical fertilizers and 171,000 tons of diesel oil to the flood-stricken areas.

It has also appropriated 600,000 yuan in special funds to aid seedling-cultivation and cattle-immunity services in Anhui and Jiangsu Provinces, two of the most severely hit areas.

The Ministry of Finance has altered its work agenda so as to cope with the emergency. It has also urged many of its various departments and its subordinate organs to provide the necessary funds to help the flooded regions.

The Industrial and Commercial Bank and the Agriculture Bank of China respectively convened emergency meetings in which ideas on how to cope with the floods in the vast east China areas were discussed. Both banks are taking active measures to allocate funds and loans to the affected areas.

Furthermore, the state pharmaceutical administration has arranged 7,500 kg of necessary pharmaceutical materials to be shipped to these areas.

CPPCC Sympathy Message

OW1207141891 Beijing XINHUA in English
0658 GMT 12 Jul 91

[Text] Beijing, July 12 (XINHUA)—The Chinese People's Political Consultative Conference (CPPCC) National Committee today sent a message expressing sympathy and solicitude for flood victims.

The message saluted the people and the armed forces involved in fighting the flood, and called on CPPCC local organizations in the affected areas to actively support the governments in flood control efforts, aiding the resumption of production and rebuilding homes.

The CPPCC message praised the flood workers for their self-sacrifice in helping to protect the overall interests of the country. The message also asked the people to rely on the party leadership and socialism in preparing for the possibility of even worse floods.

CAAC Circular

OW1307080091 Beijing XINHUA in English
0748 GMT 13 Jul 91

[Text] Beijing, July 13 (XINHUA)—The Civil Aviation Administration of China (CAAC) has issued an emergency circular calling on local aviation companies and airports to make every effort to ship relief goods to flood-stricken areas.

In the circular CAAC announced that foreign aircraft carrying relief materials or relief materials delivered by foreign airlines should be timely issued customs declarations and that they should be unloaded quickly upon arrival.

Receipt of the relief goods should be made known to the relevant departments as rapidly as possible.

Local airlines should also give priority to the shipment of domestic relief materials.

In addition, CAAC decided to open the capital airport in Beijing, and the Hongqiao Airport in Shanghai, as well as the Luogang Airport in Hefei, the Daxiaochang Airport in Nanjing and the Jianqiao Airport in Hangzhou to foreign aircraft carrying relief goods.

Banks Grant Huge Loans

HK1407065191 Beijing CHINA DAILY in English
13 Jul 91 p 1

[By staff reporters]

[Text] The Agricultural Bank of China, the government's only specialized financial arm for rural development, will grant huge loans to alleviate the soaring economic losses caused by heavy rains and floods in the country's 18 provinces.

The bank promised that it would give 5 billion yuan (\$943 million) in loans to help the government tide over the natural disasters sweeping many southern provinces of the country, a bank official said.

The bank's money would be given to the official departments who are organizing and supplying essential relief materials, including foodstuffs and clothes, to the victims.

They would also use the money to give chemical fertilizers, pesticides, diesel oil and other inputs for agricultural production to the local farmers.

The Industrial and Commercial Bank of China has urged all its branches and sub-branches to mobilize themselves immediately to support anti-flood and disaster relief work, a bank official said yesterday.

Its Beijing headquarters has decided to provide 180 million yuan (\$33.96 million) in loans to the flood-hit areas of Jiangsu, Anhui and Hubei provinces for them to buy disaster relief materials and restore production.

The People's Insurance Company of China [PICC], the country's major under-writer, has already paid out over 200 million yuan (\$37 million) in compensation for damage.

PICC officials said that more compensation will be given in the near future as a number of teams have been sent to the flooded areas to inspect damage and work out compensation.

However, officials said that insured property only accounted for a small part of the total amount of 16 billion yuan (\$3 billion) in losses because millions of farmers were very reluctant to take out insurance.

Even some middle-sized and large enterprises in the 18 flooded provinces and municipalities did not take any insurance.

"That means insurance spread in China is very small and that there are still millions of enterprises and Chinese people with a meagre knowledge of insurance and its benefits," one official said.

In another development, Xinhua News Agency reports that the flooding in east China has caught public attention in Hong Kong, and a total of 1.58 million Hong Kong dollars (\$202,000) of local donations had been received by Wednesday for flood-stricken people there.

The deputies in the Hong Kong region to the National People's Congress, China's highest organ of State power, urged local people to make gifts for the flood-stricken people and had initially collected some HK\$200,000 (\$25,600). They asked Ta Kung Pao, a local newspaper, to send the money to the stricken areas.

They have also sent a telegram of sympathy to the disaster areas.

By Wednesday Ta Kung Pao had received HK\$810,000 (\$103,800) of donations, and another local newspaper Wen Wei Po had received HK\$770,000 (some \$100,000).

A Hong Kong government spokesman also said yesterday that Hong Kong will give HK\$50 million (\$6.4 million) to help millions made homeless by the floods. Further help will be given through the United Nations Development Programme in response to a request by the Chinese Government for humanitarian aid.

The Hong Kong and Shanghai Banking Corp and the Hang Seng Bank announced separately they had each given HK\$5 million (\$641,000) to China.

Taiwan will give \$1 million and 10,000 tons of rice to the flood victims.

In Bangkok, a Thai foreign ministry spokesman said Thailand will donate goods and materials worth about 5 million baht (\$200,000) to help the victims of flood-stricken areas in east China.

Dam Projects Planned

HK1307082191 Hong Kong HONGKONG STANDARD in English 13 Jul 91 p 8

[By Cheung Po-ling]

[Text] The floods devastating more than half of China's provinces have bolstered Beijing's determination to approve construction of the Three Gorges Dam.

During a crucial meeting of the State Council's Inspection Commission of the Three Gorges Hydro-Electric Project, which ended yesterday, the participants said an early start to the massive project would benefit the country.

Many participants suggested the severe floods, which had killed more than 1,000 people and inflicted extensive damage in many parts of China, could be stemmed if such a dam was built.

Although the final out-come of the four-day meeting was not reported in the Chinese media last night, sources said the controversial scheme was formally approved by the State Council.

The meeting was headed by commission director Zou Jiahua, vice-premier, and attended by three vice-directors—Finance Minister Wang Bingqian and State Councillors Chen Junsheng and Song Jian.

The 26 ministers, who have been appointed members of the commission, also took part.

The high-powered inspection commission was set up to scrutinise the feasibility report for the Three Gorges Dam.

The commission has seen the need to build the dam to combat future floods after two eastern provinces—Jiangsu and Anhui—were inundated this week.

As waters rise in the provinces of Sichuan, Hunan, Hubei and Henan, the commission also believes the floods could be the worst this century, comparable to those in 1954.

In order to avoid a similar disaster, the commission ruled that the Three Gorges project should be included in the Ninth Five Year Plan (1996-2000).

The Chinese press have recently given a good deal of publicity to the high possibility the project would be approved after authorities reconsidered its merits.

The massive project, debated since the 1930's, would dam the Yangtze River in Sichuan province, providing enormous benefits in flood control and electric power generation.

However, the project is also riddled with serious technical, economic, and political problems—including the resettlement of much of the city of Chongqing and worries of missile attacks by enemies.

In the mid-1980's, the Three Gorges Project was nearly approved.

However, it was put on hold by those who questioned the technical safety of the dam and the economic viability of such a huge investment.

Nevertheless, in a visit to Sichuan, Hubei and Hunan provinces in late May, Mr Zou concluded the project was economically and socially feasible.

It was Mr Zou's first field trip to the proposed site.

Before that, other commission members had also inspected the site on nine occasions.

Although construction would start in 1996, sources said preparatory work would go ahead once the commission gave its blessing.

Situation Intensifies

HK1207070491 Hong Kong AFP in English 0636 GMT
12 Jul 91

[Text] Beijing, July 12 (AFP)—The swollen Yangtze river was set to unleash a fresh disaster on China's heartland as unrelenting rains Friday intensified the worst flooding in decades, officials said.

A day after China appealed for 200 million dollars in emergency relief, reports said that cases of typhoid and hepatitis were found in the flood-stricken areas. Earlier, officials said dysentery and malaria were also spreading.

In the worst-hit provinces of Anhui and Jiangsu, non-stop torrential rains sparked a new wave of flooding, officials said. More than 5 million people were stranded in Anhui while in Jiangsu 1.2 million families were homeless.

Tens of thousands of people were without food or water.

Medical teams were rushing to the areas as millions of soldiers, farmers and city residents fought furiously to prevent further damage, now estimated at 5.7 billion dollars for all of China.

Officials said the Yangtze, the country's largest river which passes through six central and eastern provinces—including Anhui and Jiangsu—would reach its second flood peak on Saturday in its middle reaches.

The levels of the Yangtze and Huai rivers have already reached record highs on their lower reaches, flooding parts of Shanghai and Nanjing, they said.

Experts here warned that the middle and lower reaches of the river would be hit hard by the new flood peak. The area, China's grain belt, is almost entirely under water and most of its summer crops have been wiped out.

Official press reports said typhoid, a highly contagious waterborne disease, had been discovered in Jiangsu as well as hepatitis.

At Wuhan, a major industrial city in Hubei province, the Yangtze was 0.5 meters over the danger mark and steadily rising. Half a million people were mobilized to prepare for the flood waters expected to arrive Saturday.

Nearly 40 cities and counties were inundated by heavy rains in Hubei, while China's major railway link spanning the Yangtze at Wuhan was under constant 24-hour watch to prevent damage.

A new death toll was not immediately available. Officials said Thursday at least 1,270 people had been killed.

Heavy flooding was spreading to other provinces besides Anhui and Jiangsu, where some 500 people killed and 3,000 seriously injured.

Experts said the most serious flooding on the Yangtze was on the Chu River, which runs along the Jiangsu-Anhui border. The river was experiencing the worst flooding on record and its water level continued to rise.

They said that with the onset of the peak flood period in late July and early August, the situation would get much more serious.

In Changzhou, a major industrial center in Jiangsu that was devastated by flooding caused by record water levels on nearby Tai Lake, 30,000 people were without food or water.

The Yangtze flood peak was expected to reach Changzhou and the neighboring cities of Wuxi and Suzhou in the coming days, and one report said it was "impossible to imagine the repercussions."

In Guizhou, one of China's poorest provinces, the Wujiang river had breached its banks, severely flooding 30 counties and cities, including the provincial capital Guiyang.

The entire province was completely isolated after all rail lines were washed out," officials said.

Highways Destroyed

OW1307075691 Beijing XINHUA in English
0727 GMT 13 Jul 91

[Text] Beijing, July 13 (XINHUA)—Floods caused by torrential rains have destroyed over 10,000 kilometers of highways, 620 bridges and 6,630 culverts in 18 Chinese provinces, autonomous regions and municipalities, according to the Ministry of Communications.

The losses resulting from the damage are expected to exceed 320 million yuan.

Travel on 96 highways in Jiangsu Province and 68 highways in Anhui Province, two of the worst hit areas in the country, was temporarily halted due to flooding. The flooding has adversely affected transportation and the construction of key projects.

In response to the disaster local communications departments took prompt action to mobilize manpower and materials to repair the destroyed highways.

As a result, 18 bridges, 300 culverts and most of the trunk highways were quickly opened.

The Ministry of Communications has urged all localities to use every means possible to repair the flood-damaged

transportation facilities, and to speed up the shipment of relief food and materials to the flood-stricken areas.

T-Shirts Bearing Nonpolitical Protests Banned

HK0907061191 Hong Kong MING PAO in Chinese
6 Jul 91 p 2

["Special dispatch": "Beijing Bans T-Shirts With Words Venting Complaints"]

[Text] T-shirts with words venting complaints, which have become popular this summer, have been banned by the Chinese Government.

ASSOCIATED PRESS reported that these T-shirts are mainly printed and sold by individual entrepreneurs. The most common phrases used are: "It's Annoying; Leave Me Alone!"

Some street vendors said that the authorities have threatened that if anybody is found printing, making, or selling these kinds of T-shirts, he will be arrested. However, it is not known whether those wearing these T-shirts will also be arrested.

These kinds of T-shirts appeared at the beginning of June on the second anniversary of the "4 June" and have since become a trend. No political phrases are printed on these T-shirts, but only those phrases expressing annoyance and dissatisfaction, which are out of tune with the official image of a Chinese people willing to work together to build up socialism.

The ban on "dissatisfaction" T-shirts seems to reflect the sensitivity of Chinese leaders to the silent challenges.

The "dissatisfaction" T-shirts, which were seen everywhere in Xidan several days ago, were not seen again yesterday. Nevertheless, the authorities have done nothing about the Star-Spangled Banner T-shirts which are just as popular.

Commentary Studies Phenomenon

HK1207015191 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0913 GMT 10 Jul 91

[Report: "'Cultural Shirts,' Now in Fashion in Beijing, Cause Controversy"]

[Text] Beijing, 10 Jul (ZHONGGUO TONGXUN SHE)—This summer a shirt referred to as the "cultural shirt" is in fashion in Beijing. The shirt is not novel in design. But the wording such as "how annoying," or, "ignore me" printed on the shirts has a strong appeal to young people, who then buy them one after another and swagger through the streets in them with relish. A commentary published by a newspaper here said: In fact, those who wear "cultural shirts" with "how annoying" on them do not really feel annoyed, they talk and laugh as usual; while those wearing "cultural shirts" with "ignore me" do not really refuse to be cared for. If their

boy or girlfriends, parents, and brothers ignored them, they would be unable to get along.

Two years ago, a girl was walking in the street in a T-shirt with "please kiss me" in a foreign language on it. A foreigner came up and kissed her. The girl put up a struggle, reprimanding: "You acted indecently!" Pointing to the wording on her T-shirt, the foreigner said: "It was you who asked me to kiss you." At that time some young people also walked in the streets in T-shirts with "urea" on them. As a result, bags of "urea" seen moving amid pedestrians became a standing joke.

The commentary said: Since we introduced reform and the open policy, all types of fashionable dress have appeared one after the other. This is not necessarily a bad thing. But some people make fools of themselves as mentioned above owing to shallowness. Nowadays, some people take a great interest in wearing "cultural shirts" with wording such as "how annoying", "ignore me", and "Today we have wine so today we celebrate; to hell with what will happen tomorrow." They have the same mentality as those who wear T-shirts with "please kiss me" and "urea" on them. They wear such "cultural shirts" out of curiosity or for the sake of showing that they are "fashionable."

The commentary continued tactfully: "Wearing a fashionable jacket or T-shirt is nothing bad. Which youngster does not take delight in beauty and is not full of curiosity? But we should know what genuine beauty is and should not make fools of ourselves. Young friends, do you not think my advice is correct?"

The fashionable shirts with "how annoying" and "ignore me" on them have caused controversy among young people. Some are in favor of the opinion given by the newspaper, believing that they should not be "particular about being fashionable" in everything they do; while others maintained: You can wear whatever hats and clothes you please. What is there to be surprised at? It is even worse to treat it as a matter of principle. However, a survey shows that less and less people are wearing such "cultural shirts."

He Xin Decries Treatment by Foreign Press

HK1107015091 Hong Kong SOUTH CHINA
MORNING POST in English 11 Jul 91 p 10

[By John Kohut in Beijing]

[Text] He Xin, the ex-Red Guard who rose to prominence by becoming the first intellectual to publicly support the June 1989 Beijing massacre, yesterday denied reports he had become Premier Mr Li Peng's personal brain trust.

"It's simply nonsense," declared He, the Chinese Government's favourite intellectual and a man whose articles and memos have reportedly been instrumental in shaping China's policies since the spring of 1989.

Neither does he like foreign press reports which attribute his meteoric rise to obsequious courting of China's leaders, nor the personal criticism of him carried in Hong Kong and other foreign newspapers. So incensed is he by those reports that he wants to sue for libel.

"Although there are no precedents (for such libel suits), I think the problem can be solved through the perfection of Chinese laws and international laws," He said.

While he does not demand that Hong Kong and other reporters accept mainland Chinese ideological views, he objects to reports which "libelled the rights of citizens of mainland China".

"For example, here's one magazine in which they accused me of being a very vicious... person," He said, holding up a copy of an article.

Admitting it would be difficult to sue for libel, He, 42, yesterday tried the next best thing to shore up his reputation—a meeting with the foreign press which lasted for more than two hours.

The crew-cut, chain-smoker went to great lengths to deny playing any political role at present.

He said he may eventually resign from the Chinese Academy of Social Sciences, where he is part of the Literature Research Institute even though his scholarly work has nothing to do with literature.

"But I will never seek to enter any political departments or organs," he said.

"Not because I do not have such opportunities, simply because I don't want to."

Instead, He expressed a desire to remain a self-styled "liberal columnist", or become a freelance writer.

He said he had never tried to ingratiate himself with the Chinese Government. "Many friends from the press circle... know some of my criticisms during the Zhao Ziyang period," he said.

"As for why my position has been upgraded, it's simply because I have published some unorthodox articles and these viewpoints have... caused some rethinking of people both at home and abroad."

Indeed, He was critical of economic, cultural and intellectual liberalisation during the 1980s when Mr Zhao was head of China's Communist Party. During the anti-government protests in April 1989, he warned the Government in a secret memo that civil war, military coups and popular uprisings were "far from unthinkable".

He said he continued to criticise some of the policies of the current Government, although only in internal memos. To do so publicly might endanger the welfare of the nation, he said.

Besides, he said, "the Chinese Government and new leaders are right in terms of the political system and policy guidelines".

Although he was critical of Mr Zhao's economic policies, he declined to offer any suggestions for further structural reforms.

Wang Renzhong Teaches Party Leadership Style

HK1507070291 Beijing RENMIN RIBAO in Chinese
6 Jul 91 p 1

["News feature" by staff reporter Li Youcun (2621 2589 1317): "Listening to Party Class Given by Wang Renzhong"]

[Text] On the morning of 5 July, the Huairan Hall in Zhongnanhai had a full house, permeated with a lively atmosphere. Wang Renzhong, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee, gave an entirely new sort of party class to over 1,000 ministry- and bureau-level cadres from organs directly under the CPC Central Committee and central organs of the state.

When the clock struck 0830, a number of comrades began to enter the Huairan Hall. Comrade Peng Ru [1756 0320], a woman with silvery hair, took a front seat. She was glowing with health, and full of vitality. When this reporter asked her: "How old are you?" she said: "I shall be 80 in two years." "Why did you come so early?" She said: "It's a rare chance to listen to such a party class, so I came in a hurry as soon as I finished my meal." The reporter asked her: "In which year did you join the revolution?" She said: "I joined the Communist Youth League in 1926, and went up Jinggang Shan in 1927...." Comrade Liu Liying [0491 7787 5391], member of the Central Discipline Inspection Commission Standing Committee, who was sitting beside her, took up the topic and said: "Leading comrades from the central authorities set a good example by giving party classes, Sister Peng, you too should often tell us something about the party's history and fine tradition and style." Sister Peng said modestly: "We should learn from the central leading comrades."

At 0930, Comrade Wang Renzhong walked with vigorous strides to the platform to begin his lecture. The subject was "On the Question of Leadership Style." Suddenly silence reigned over the venue. Everybody was listening attentively and conscientiously taking notes. Although Comrade Wang Renzhong had a cold, he gave the lecture with a straight back, not needing to read his notes. His lecture was more like a sincere heart-to-heart talk with all people. With his personal experience in joining the revolution, he exhorted us to learn to be a "squad leader" and have democratic style; to be adept in consulting on matters with others, but avoid making arbitrary decisions and taking peremptory actions; to distinguish right from wrong on matters of principle, but make mutual accommodations and concessions in other things; to accept people "from all corners of the country"

rather than forming small groups; and to fight resolutely against corrupt phenomena and work hard to eliminate them. Talking about the question of criticism and self-criticism, he particularly pointed out: "On the questions of thinking and style within the party, Comrade Mao Zedong said we should start from the desire for unity in solving contradictions through criticism and self-criticism to achieve new unity. At present, some leading cadres do not practise criticism and self-criticism, but go in for commendation and self-commendation. They are not good cadres. Only those who are ready to listen to others' criticism and conduct self-criticism can have a good reputation among the masses." He hoped all comrades would read more to update their knowledge, expand their scope of acquaintances, and get rid of routinism characterized by being busy all the time over trivial matters. Comrade Wang Renzhong's sincere remarks struck a strong echo in the participants' thinking and feelings.

Everybody was in high spirits throughout the lecture which lasted nearly two hours. Finally, Comrade Wang Renzhong walked down the platform amidst a long, enthusiastic applause. Comments such as "Highly educational. Well said! Well said!" and "such a party class should be given and attended more often!" incessantly reached this reporter's ears.

Wang Renzhong Reviews Mao Article on Leadership

HK1207102091 Beijing RENMIN RIBAO in Chinese
5 Jul 91 p 5

[Article by Wang Renzhong (3769 0117 6850): "Quintessence of Marxist Leadership Methodology: Restudying 'Several Questions Concerning Leadership Methods'"]

[Text] On the eve of the 70th anniversary of the founding of the CPC, RENMIN RIBAO specially published a commentator's article which called on leading cadres at various levels to restudy Comrade Mao Zedong's article entitled "Several Questions Concerning Leadership Methods." I deem it a matter of profound significance.

When the CPC was first founded in 1921, it had just over 50 members. Today, it has developed into a big party with a membership exceeding 50 million. After waging extremely difficult struggles and making enormous sacrifices for scores of years, it finally succeeded in transforming the old world and building a new world on a piece of land called China, thus realizing its long-cherished wish. A prosperous socialist New China now stands lofty and firm, defying all kinds of stormy waves, and is now striving to fulfill its 10-Year National Economic and Social Development Program and Eighth Five-Year Plan and getting ready to greet with full confidence the impending arrival of the 21st century. How did our party succeed in creating this historic miracle? The most important reason of all is that it has had a correct Marxist line and the goal of wholeheartedly serving the people, has been able to arouse the broad

masses of the people, has had a complete set of correct leadership methods and work style, and has been able to organize the broad masses of the people to wage unremitting struggles to realize their own interests.

The cause of the Communist Party is the cause of the entire working class as well as the cause of the whole people. Without the active support and wholehearted participation of the working class and the whole people, the success of the cause of the Communist Party would be out of the question. How to conduct propaganda among and organize the masses is a question the party must constantly make great efforts to solve. To this end, we must learn and master effective leadership methods. Without effective methods, even if we had a good goal, our work would still be fruitless and even result in unforeseen losses. In his great revolutionary career, Comrade Mao Zedong always attached great importance to studying and developing the Marxist methods of thinking, work methods, and leadership methods. From the high plane of dialectical materialism and historical materialism, he made an in-depth summation of our party's rich historical experiences and made numerous exquisite expositions in this connection, thus arming our party ideologically. "Certain Questions Concerning Leadership Methods" is one of his glorious works which has educated and is still educating several generations of Chinese communists. It is no exaggeration to say that his article is an important spiritual weapon used by our party in successfully leading the people of whole country to carry out revolution and construction and is a guide to our art of leadership.

Soon after the article was published as "Decision of the CPC Central Committee on Leadership Methods" in Yanan's JIEFANG RIBAO on 4 June 1943, I had a chance to read it while I was working in the Southern Hebei Administrative Office. The first time I read the article, I felt suddenly enlightened, for many of the fragmentary and concrete experiences we had gained in our practical work had been linked and systematized by the article. As a result, our ideological understanding was raised to a new realm. During the period between 1944 and August of 1945, I was in Yanan, taking part in the rectification study organized by the Second Department of the Central Party School. This article was on a list of required reading. I tried to examine my own work by reading various rectification documents and tried to find out the reasons for my successes, errors, and setbacks. Experiences and lessons made me realize that my past democratic style had been representative of a type of formalistic democracy. Those comrades who had criticized me for my lack of democratic style were all correct. Why had I practised formalistic democracy? In the first place, I had failed to acquire an in-depth understanding of the party's system of democratic centralism and the importance of drawing on collective wisdom and absorbing all useful ideas. In the second place, I had failed to acquire an in-depth understanding of the mass viewpoint and the mass line. The Yanan Rectification heightened my consciousness in this regard. This is one of the important reasons why my democratic style showed notable improvement in the liberation war

period as well as in the socialist revolution and construction period. During the period between the liberation of the whole country and the eve of the "Cultural Revolution" I worked on the Hubei Provincial CPC Committee. In those 17 years, I summed up this most fundamental experience: So long as we consciously act in accordance with the spirit of "Several Questions Concerning Leadership Methods," the leading organs' decisions will certainly conform to reality, the broad masses of people will certainly be fully mobilized, and our work will certainly be imbued with vitality and yield good actual results. However, if leaders act in contravention of the principle of "Several Questions Concerning Leadership Methods," are hotheaded, and give irresponsible views, the cadres and masses at the lower levels will certainly lack enthusiasm or display superficial enthusiasm but work perfunctorily in reality. In consequence, instead of yielding good actual results, our work will result in numerous side effects. The "Great Leap Forward" was just the most typical example in this connection. Many high quotas were mainly the result of subjectivism on the part of some hotheaded leading cadres or a product of humbug between higher and lower levels. Those quotas did not in the least conform to reality. Despite the fact that the cadres and masses at the grass-roots level were still unconvinced, we forcibly implemented those quotas, thus causing countless losses. At that time, subjectivism, bureaucratism, and commandism all ran rampant, with each trying to overtake the other. We made terrible mistakes. Later on, when we woke up to reality, we reached this conclusion: We must restore the leadership method of seeking truth from facts and adhering to the mass line and must unswervingly act in accordance with the principles laid down in "Several Questions Concerning Leadership Methods."

Today, when I re-read this well-known article written by Comrade Mao Zedong, I can still see the light of truth in every line. The principles it brought to light are at once of universal significance and of guiding significance to our present reality. It is indeed true that each time we read it we can acquire new understanding as well as important enlightenment from it.

In this article, Comrade Mao Zedong did not set specific rules for certain questions concerning leadership methods, but mainly raised and solved questions concerning the guiding ideology and basic principles of leadership work from the high plane of the Marxist theory of knowledge. We should mainly try to understand these aspects. Once we have ideologically acquired a real understanding of these aspects, we will find it easier to master the various methods mentioned therein. Moreover, many a specific method has yet to be developed and created through our practice.

In my view, what is important is how we look upon leadership work. No doubt, leading organs and leading cadres at all levels should provide guidance and leadership to the lower levels, the masses, and the work as well. Where does correct guidance or leadership come from? Is it true that once a cadre is appointed a secretary or to

a certain leading post, he or she will suddenly become so clever as to produce a great many good ideas at once? Is it true that such a cadre can think out numerous good ideas upon a sudden brainwave? Of course not. Comrade Mao Zedong wrote: "A leader who never draws upon the experiences of particular individuals or particular incidents in particular units at lower levels will certainly fail to provide general guidance to all the units." He called this method of combining the general with the particular a "method enabling leaders to combine guidance with learning." (*Selected Works of Mao Zedong*, Second Edition, Vol 3, p 898) If taken literally, it seems that combining guidance with learning refers only to relations between the general and the particular. As a matter of fact, this combination should be taken as the soul given by Comrade Mao Zedong to all leadership work and leadership methods. **Leaders must learn, must be students first and teachers later, and must be both students and teachers. The process of enforcing leadership work is a process permeated with a combination of guidance and learning. Leadership methods are the methods of combining guidance with learning.** Nothing can be accomplished if leaders believe themselves wiser than others. However, leaders are required to be wiser. Their wisdom is mainly determined by their modesty in learning and their adeptness in learning. This is also a basic quality to be possessed by our leading cadres at all levels.

How should we learn? From whom should we learn? These questions certainly touch on the core contents of Comrade Mao Zedong's article, which are: The leadership must integrate with the masses; from the masses, to the masses; learn from the masses, learn from practice. Comrade Mao Zedong pointed out: "In all the practical work of our party, all correct leadership is necessarily "from the masses, to the masses." This means: Take the ideas of the masses (scattered and unsystematic ideas), and concentrate them (through study, turn them into concentrated and systematic ideas), then go to the masses and propagate and explain these ideas until the masses embrace them as their own, hold fast to them, and translate them into action, and test the correctness of these ideas in such action. Then once again concentrate ideas from the masses and once again go to the masses so that the ideas are preserved and carried through. And so on, over and over again in an endless spiral, with the ideas becoming more correct, more vivid, and richer each time. Such is the Marxist theory of knowledge." (*Selected Works of Mao Zedong*, Second Edition, Vol 3, p 899) This is where the quintessence of his leadership methodology lies. In May 1963, some 20 years later, Comrade Mao Zedong once again talked about this question. He said: "Where do correct ideas come from? Do they drop from the skies? No. Are they innate in the mind? No. They come from social practice, and from it alone. They come from three types of social practice—the struggle for production, the class struggle, and scientific experiment." (*Selected Readings of Works of Mao Zedong*, Vol 2, p 839) He went on: "Often correct knowledge can be arrived at only after many repetitions of the process leading from matter to consciousness and

then back to matter, that is, leading from practice to knowledge and then back to practice. Such is the Marxist theory of knowledge, the dialectical materialist theory of knowledge." (*Selected Readings of Works of Mao Zedong*, Vol 2, p 840) **The theory of from practice to knowledge and then back to practice completely conforms with the theory of from the masses, to the masses. Any social practice is the practice of the broad masses of people. Practice refers to the activities carried out by the broad masses of people in understanding and transforming nature as well as in understanding and transforming society. The masses and practice are an inseparable whole.**

In 1943, Comrade Mao Zedong creatively expounded and developed the Marxist theory of knowledge and put forth the principle of "from the masses, to the masses" to govern our leadership methodology. This principle, simple in language but rich in meaning, was immediately accepted by and became an official decision of the party Central Committee. This was by no means accidental. The principle was the result of both positive and negative experiences accumulated over a period of 22 years from the founding of the CPC and was the achievement of the 1942 rectification movement, which raised the Marxist standard of the whole party. When it was first founded, our party was composed of dozens of intellectuals who had just had their first contact with Marxism, had lofty revolutionary ideals, and set themselves the grand goal of communism. However, what was the realistic situation in China at that time? How could they arouse the masses, who were in a state of disunity? What effective methods could they use to organize a revolutionary contingent? They had no ready answers for all these questions. Therefore, the outstanding Chinese communists, represented by Comrade Mao Zedong, began searching for those answers by going deep into reality. They went into the factories, the rural areas, and the troops to mobilize and organize the broad masses of workers, peasants, and soldiers to carry out struggles, learn skills, enhance abilities, and gradually understand the national situation and the revolution in order to put forth correct strategy and tactics, exercise effective leadership, and continually expand their own ranks. The dogmatists acted in just the opposite way. They did not proceed from actual conditions or sum up practical experiences. Instead, they acted in accordance with certain individual sentences or words quoted from books, gave irresponsible views, and forcibly implemented their erroneous ideas by making use of the leadership power they held, thus inflicting grave losses on the revolutionary cause. The most grave loss was sustained in the defeat of the fifth "anti-encirclement and suppression" during the agrarian revolution, when the main force of the Red Army was forced to withdraw from the Central Soviet area, with its casualties reaching 90 percent. Nearly 100 percent of our forces in the Kuomintang-controlled areas were also lost. The "Resolution on Certain Historical Questions" adopted by the Seventh Plenary Session of the Sixth CPC Central Committee pointed out that they "had abandoned the essence

of Marxism and Leninism, brought to China certain individual sentences and words quoted from works on Marxism and Leninism, and treated them as dogma. They made no attempt to study those sentences and words to see whether they conformed with reality in China or not. As a result, their 'theories' were divorced from reality and their leadership divorced from the masses. Instead of seeking truth from facts, they regarded themselves as infallible, became conceited, and indulged in exaggeration. It was only natural that they were afraid of correct criticism and self-criticism." (*Selected Works of Mao Zedong*, Second Edition, Vol 3, p 988) What could such leaders do besides bungling the revolution? Is it not true that the two diametrically opposed guiding ideologies, leadership methods, and outcomes set people thinking? Should we not learn and remember this lesson forever?

Should we continue to adhere to the principle of combining the leadership with the masses and implement the work line of "from the masses, to the masses" under the conditions of reform, opening up, and socialist modernization building? Of course, we should. After the downfall of the "gang of four," Comrade Deng Xiaoping put forth in a timely manner the scientific proposition of "practice being the sole criterion for testing truth," which was accepted by an overwhelming majority of our party cadres. This proposition played the role of an important guiding ideology in bringing order out of chaos, redressing unjust, false, and wrong cases, and formulating our party's correct line, principles, and policies after the Third Plenary Session of the 11th CPC Central Committee. To build socialism with salient Chinese characteristics under the guidance of the basic tenets of Marxism is the business of the CPC and the people of all nationalities in China. No one else can design a blueprint for us. Even if such a blueprint is designed, it will certainly be useless to us because it does not conform with the reality in our country. We can only walk on our own road step by step. Only by going deep into reality and among the masses will leading cadres at all levels be able to find practical and feasible methods. Our country's 10-Year National Economic and Social Development Program and Eighth Five-Year Plan were not mapped out by our leading organs behind closed doors, but by the leaders who integrated with the masses and in a repeated process of "from the masses, to the masses." When we implement and carry out the Program and the Plan in various areas and departments, we should insist on combining leadership with the masses and adhere to the process of from the masses, to the masses. Now it has been verified: Wherever things are really done in this way, the leadership provided is concrete, forceful, and creative and the masses are full of enthusiasm. Otherwise, there will be only vague and general leadership which lacks vitality. I feel deeply that Comrade Chen Yun's famous remark—"do not blindly follow superiors; do not blindly follow books; proceed from reality only"—should become the motto of leading cadres at various levels. A problem which merits our attention at present is: Quite a few of our leading organs and leading

cadres have not yet carried out in-depth and systematic investigations and research on actual conditions. What they have is only limited and fragmentary information. They have failed to comprehensively grasp the nature of things. Another serious problem is that when a decision is implemented, the leaders concerned seldom use the method advocated by Comrade Mao Zedong of combining the general with the particular and seldom go deep into a unit to solve problems and gain experience so as to provide guidance to other units. What these leaders often do is make general arrangements, provide general supervision, and carry out general examination. Since they have no really substantial and typical materials in their hands, these leaders cannot convince people and cannot push ahead with the overall work. The masses say that many of our leading cadres can "sing well" but cannot "do well." This means that our leading cadres make too many general calls but provide too little concrete guidance. As a result, their general calls often fail to achieve the desired results. If our leading cadres continue to act in this manner for long, the cadres and the broad masses of people at the grass-roots level will lose their confidence in our leading organs. It seems that some of our comrades holding leading posts have not yet mastered the concepts Comrade Mao Zedong revealed in his article, namely, the "concept of a correct relationship between the leading group and the masses in an organization or in a struggle, the concept that correct ideas on the part of leadership can only be 'from the masses, to the masses,' and the concept that the general call must be combined with particular guidance when the leadership's ideas are being put into practice." (*Selected Works of Mao Zedong*, Second Edition, Vol 3, p 899) It is true that we are now living in an era of information. Automatic office equipment has made the work of leading organs much easier. However, this facilitates rather than hampers our application of modern instruments to realizing the combination between the leadership and the masses. In leading a cause of hundreds of millions of people, the role played by any of the most advanced technological means can in no way replace the power generated by the hundreds of millions of people who enthusiastically participate in such a cause. Our leadership work must always focus on mobilizing and organizing the masses. Specific methods should and can be further developed. Nevertheless, the basic principle of combining the leadership with the masses and the work line of from the masses, to the masses will never become outdated.

In the last paragraph of his article, Comrade Mao Zedong emphatically pointed out: "All the leading comrades of our party must at all times counterpose scientific Marxist leadership methods to subjectivist and bureaucratic leadership methods and use the former to overcome the latter. Subjectivists and bureaucrats do not understand the principles of combining the leadership with the masses and the general with the particular; they greatly impede the development of the work of the party. To combat subjectivist and bureaucratic leadership methods, we must promote scientific Marxist leadership methods both extensively and intensively." (*Selected*

Works of Mao Zedong, Second Edition, Vol 3, p 902) Today, is it not true that reading this paragraph will once again have a great impact on our leading cadres at various levels? Should we become arrogant and conceited and cut ourselves off from the masses, we will certainly catch such diseases as subjectivism and bureaucratism once again. Should we make irresponsible decisions on the basis of a sudden inspiration or assumption of our own without going through a democratic and scientific process and forcibly implement such decisions in disregard of actual conditions, we will certainly butt our heads against a wall. People like us once had a grave lesson in this regard in a certain past period. I hope that future generations will learn a lesson from our experience. Now the method we should use is to conscientiously comprehend the spirit of Comrade Mao Zedong's "Several Questions Concerning Leadership Methods" and frequently examine our guiding ideology and leadership methods to see whether they are Marxist or subjectivist and bureaucratic. The demarcation line between the two types of methods lies in combining the leadership with the masses and proceeding from reality on the one hand and divorcing the leadership from the masses and acting in accordance with the prevailing atmosphere and conventions on the other.

Let our leading cadres at all levels strengthen this type of consciousness and take it as actual action in commemoration of the 70th anniversary of the founding of the CPC.

Article Lauds Chen Yun's Party Building Thesis

HK1507043491 Beijing GUANGMING RIBAO
in Chinese 29 Jun 91 p 3

[Article by Wu Jiemin (0702 0094 3046): "Comrade Chen Yun on 'To the End'"]

[Text] As an old man past the age of three score and 10, I have forgotten many past things, but I still remember some things clearly, and Comrade Chen Yun's lecture on party building remains deeply impressed in my mind, although I attended the lecture at Yanan's Marxism-Leninism College in 1939.

When talking about the subject of "how to be a Communist Party member," Comrade Chen Yun said: "Today, I mention only two characters 'dao di' [0451 1646]." Communist Party members should struggle for the communist cause through to the end. The most difficult requirement for them is precisely such thoroughness. If our struggle has to be carried through to the end, then where does the "end" lie?

Comrade Chen Yun then emphatically said: "Dao di" means struggling through to the last moment of one's life. "All Communist Party members should be deeply aware that the Chinese revolution is a prolonged and arduous process of struggle. When traversing the tortuous and perilous course of revolution, all revolutionaries must endure hardships and setbacks over a long, long time. In the frequent struggles against the enemies and at the critical juncture of every event, they may even face the possibility of

being killed. Therefore, all Communist Party members must not only firmly believe in the inevitable realization of communism, but also must have the determination to fight for the liberation cause of the working class, the Chinese people, and the Chinese nation through to the end without fearing death and difficulties."

Then, Comrade Chen Yun said that not all people who have joined the party are able to struggle "to the end." He used his figures to enumerate such negative examples as Chen Duxiu, Gu Shunzhang, Li Ligong, and Zhang Guotao.

That was indeed an enlightening lecture. As a new party member at the time, I was deeply enlightened. When China suffered the aggression of the Japanese imperialists, I went to Yanan in 1938 with full enthusiasm for resisting Japanese aggression and national salvation. First, I entered the Shanbei Public School to study revolutionary theories. With an obscure ideal of revolution, I joined the CPC. After graduating from the Shanbei Public School, I was admitted into the Marxism-Leninism College of Yanan. Through studying the basic theory of Marxism-Leninism, I gradually came to understand the world view and the outlook on life that a Communist Party member must have, and understand how to be a qualified party member. Comrade Chen Yun's instruction was of special significance in helping me understand that a party member must fight for communism throughout his life.

Before that, I thought that the aim of participating in the revolution was to defeat the Japanese and save China, so the revolution should be completed when the Japanese imperialists were defeated. Comrade Chen Yun said: Communist Party members must struggle for the cause of communism through to the end and should not stay at the Democratic Revolution stage. He explained the profound in simple terms, and vividly and concretely explained the connotation of "struggling to the end." This broadened my vision and raised my thoughts to a lofty realm. I came to understand that communism is an arduous cause, whose completion requires efforts of several generations, so people of my generation may not personally see the realization of communism. We might even not be able to personally see the fulfillment of the short-term tasks of defeating Japan and founding a New China. Therefore, for people of our generation, joining the party and participating in the revolution means that we are ready to sacrifice our own lives, and we will fight unceasingly until the end of our lives.

Since then, half a century has passed. I have also become an old man. The events over the past 50 years did not wash away the truth of Marxism-Leninism or the communist faith I acquired in the caves on the bank of the Yanshui River. On the contrary, the ideal remains fresh and even firmer in my mind.

Party School Head Urges Party Building

HK1007015191 Beijing LIAOWANG in Chinese
No 23, 10 Jun 91 pp 9, 11

[Article by Xue Ju (5641 7467), executive vice president of CPC Central Committee Party School: "Carry Forward Glorious Tradition, Do Good Job in Party Building"]

[Text] Since it was founded 70 years ago, the CPC has led the people of the whole country in carrying out a heroic and unyielding struggle for the liberation of the Chinese people and for national prosperity and strength; gone through all kinds of hardships and hazards; and, undaunted by repeated setbacks, finally won a historic victory for the Chinese revolution and socialist construction. In the 1980's, our country fulfilled ahead of schedule the first-step strategic goals for national economic development and is now, in the 1990's, striving to fulfill the second-step strategic goals. One of the important tasks before us is how to draw strength from the party's historical experience, carry forward and develop the party's distinguished tradition, study the important problems facing the party in its current work, further strengthen party building in order that the entire party can further reinvigorate spirit, strive to handle well future work, courageously take on new historical missions, and face the 21st century.

Seventy Glorious Years of Battles

The CPC's birth represents the result of the combination of Marxism-Leninism and the Chinese workers' movement. The party's 70 years of battles were a process in which basic Marxist-Leninist principles continually deepened and integrated with the specific practices of Chinese revolution and construction. The salvos of the October Revolution brought us Marxism-Leninism, and the CPC was established. The Chinese Communists, represented by Comrade Mao Zedong, successfully built up a proletarian political party armed with Marxism-Leninism and combat power and having a broad mass base in China, a poor and backward country largely made up of peasants and other petty bourgeoisie, with only a very small number of the proletariat class. By relying on the three great magic weapons of party leadership, a united front line, and armed struggle; and after extremely arduous struggle, the party finally overthrew the three big mountains of imperialism, feudalism, and bureaucratism; established a political power that belonged to the people; and won victory for the New Democratic Revolution.

From the practice of long revolutionary struggle, Comrade Mao Zedong and others scientifically summed up the experience in party building; combined the basic principles of Marxism-Leninism concerning the nature, outline, guiding thought, basic principles, and organizational principles of a working-class political party with CPC practices; and forwarded: It is necessary to uphold the vanguard nature of the working class, to uphold and consolidate the party's leading status, to closely link party building with the party's political line, and to make

particular efforts to build the party on the ideological plane; "grasping ideological education represents the central link with which to unify the entire party to conduct the great political struggle"; uphold the principle of wholeheartedly serving the people; establish the line of basing the party's fundamental work on the mass line; erect the three great styles of linking theory with practice, establishing close ties with the masses, and making criticism and self-criticism; adhere to the party's democratic centralism; correctly handle contradictions within the party; and conduct Marxist ideological education during party-style rectification. This series of party-building principles with Chinese characteristics laid a scientific theoretical foundation for the establishment, development, and growing strength of our party; by the time of the Yanan rectification period, these thoughts had reached a mature stage.

After the founding of New China, our party again made a long and arduous probe for a path of the construction of socialism suitable for Chinese conditions. Politically, our party adhered to a people's democratic dictatorship led by the working class and based on the alliance of workers and peasants, which provided a powerful guarantee for defending the victory of revolution and developing people's incentive to build socialism. Economically, we simultaneously pursued the double policy of socialist industrialization and transformation, adopting the peaceful buying-out policy toward the privately owned production materials and thus opening up a path of socialist transformation suitable for Chinese national situation. In economic construction, we gave full play to the superiority of socialist public ownership and concentrated our efforts on doing a good job in key projects, gradually building our own industrial system, and continually raising our country's ability for independence and self-determination. Ideologically and culturally, we have upheld Marxism-Leninism-Mao Zedong Thought as the guiding thought, vigorously strengthened the construction of socialist spiritual civilization, maintained the direction of serving the people and socialism and the policy of letting a hundred flowers blossom and a hundred schools contend and enlivening and developing scientific and cultural undertakings.

Following the Third Plenary Session of the 11th CPC Central Committee, the second-generation leadership collective with Deng Xiaoping as the core, summed up the positive and negative experiences in socialist construction since the founding of the country; adhered to and developed Mao Zedong Thought; laid down the basic line of taking economic construction as the center; upholding the four cardinal principles, reform, and opening up; arduously laid the foundation for self-reliance; and opened up a path for socialist construction with Chinese characteristics. Guided by this basic line and following the practice in the 1980's, our country has already fulfilled ahead of schedule the first-step strategic goals; GNP increased 136 percent in a decade, an average of a 9-percent annual increase. The production of some important industrial and agricultural products,

such as grain, cotton, coal, electricity, and cement, have come to the world's forefront. We occupy 7 percent of the world's land but we are able to feed 22 percent of its population; the overwhelming majority of our 1.1 billion population are adequately fed and clothed.

Regarding party building, Comrade Deng Xiaoping and other leading party Central Committee comrades have upheld and developed the party-building parts in Marxism-Leninism-Mao Zedong Thought and made a series of theoretical summations on party-building in the new era. For example, they explicitly laid down that socialism's fundamental mission are: to develop productive forces; the focus of party work must shift to economic construction, which would hence serve as the center; socialist modernization must unswervingly uphold and improve party leadership; there must be reforms in party and state leadership and improvement in leadership style and methods. We must learn to grasp both the socialist material and cultural and ideological progress and not to attend to one at the expense of another; emphasize that the further we go with reform, opening up, and developing socialist planned commodity economy, the more we will educate the entire party with Marxism; advocate that the party must lead the people in formulating the constitution and laws and to act within their scope; and stress that a ruling party's style concerns that party's life and death, that the party be ruled with strict measures in order to rectify party style, strengthen the construction of clean government, and tighten party discipline. With strengthening revolutionary tendency as the premise, we act according to the cadre policy of gradually rejuvenating the cadre force, making it more educated and professional, strengthen leadership groups at various levels and the construction of the cadre force, and train and foster successors to the socialist cause, and so on.

Of course there will be difficulties and fluctuations in creating and building a totally new undertaking in human history in a country with a relatively low level of social productive forces and relatively backward economic and cultural bases. Achievements and victories are often attended by mistakes and frustrations. But Chinese Communists have never denied their own mistakes, on the contrary, one of our party's important characteristics has been to adhere to truth, revise mistakes, and continually correct its own shortcomings and mistakes by relying on its own and people's strength. This is an important indication of the party's maturity.

The New Situation and Trials Facing Our Party

The next 10 years will be a very crucial period in the history of our party and country. Whether our party can consolidate and develop in the 1990's the achievements attained in the 1980's, maintain a unified and stable political situation, improve the national economy, better construct the socialist spiritual and material civilizations to further demonstrate the superiority of the socialist system; and whether we can build our party into a

stronger and more combative one, determines whether our party and country will prosper and succeed or decline and fail.

The Seventh Plenary Session of the 13th CPC Central Committee summed up the rich experiences over the last 10 years and forwarded the targets, guidance, and chief missions of struggle for the next 10 years. The Fourth Session of the Seventh National People's Congress also deliberated and adopted the outlines of the next 10-Year Program and Eighth Five-Year Plan. To realize the grand second-step strategic goals and lay a foundation for realizing the future third-step strategic goals are the historical missions for the party and also the earnest wish of the all the country's nationalities. The key for ensuring the smooth implementation of the next 10-Year Program and Eighth Five-Year Plan lies in upholding and improving party leadership. Our party in the new era should become a stronger party that can adhere from start to end to the four cardinal principles, reform, and opening up; supervise large-scale economic construction; master modern science and technology; continually raise people's material life and spiritual civilization level; rally all the nationalities of the country; adhere to a correct political direction; and persevere in resisting "peaceful evolution."

It should be perceived that in trying to fulfill the targets and missions in the next 10 years, we will be facing many difficulties and complicated problems. We are not yet sufficiently familiar with the new problems and we lack practical experience. For example: We need to further explore specific forms and ways to combine planned economy and market regulation and to keep accumulating experience and deepening reform; when pursuing reform and opening up, we need to actively absorb advanced science and technology, management experiences, healthy cultures, and available capital from around the world, while firmly maintaining a socialist direction in reform, vigilance, and resistance against infiltration by bourgeois ideology and corruption of bourgeois lifestyles, to preserve the purity of communists. In economic structural reform, we must strengthen macroscopic regulation and control as well as enliven the microscopic economy, correctly handle the relationships between centralization and decentralization, and that between overall and local situations. We should pursue a distribution system that is primarily based on distribution according to work, and supplemented by other types of distribution; further explore ways to overcome egalitarianism and motivate people to gain prosperity with honest labor and legal business operations, and, at the same time, guiding people toward a path of common wealth and to overcoming unfair distribution and great income disparity; and so on. All such problems require us to work hard to explore, sum up experiences, and offer a scientific answer on the combined basis of theory and practice.

Our party is leading the people in pursuing socialist modernization in an intricate and complicated international and domestic environment. Our party's ruling status is being tested, and the party itself is being tested by reform and opening up and by the efforts to oppose "peaceful evolution." We must build the party amid

these three great tests and through these tests raise the party's combat power, the ability of party members and cadres to resist "peaceful evolution." A look at our party's internal state will find that the majority of party members are good and relatively good and are able to stand the tests. Most of the heroes, models, and advanced personages who have emerged from various front lines during reform and opening up have been party members. They set up personal examples, made selfless dedication, and fully fulfilled their role of being the vanguard force of the working class. At the same time, we must also see that being in a ruling position, some party members have gradually fallen into negative and corrupt practices, such as bureaucratism, commandism, abuses of powers for personal gain, and being divorced from the masses. With the commodity economy's development, the corrupted bourgeois ideology and unhealthy style are continuously eating into the body of the party. Individualism and liberalism are particularly serious with some party members, who compete for fame and seize money and loathe to be bound by discipline. In particular, owing to weakened party building and ideological and political education a few years ago, some party members, especially the young ones, have failed to maintain a firm stand and lacked the ability to distinguish truth and falsity in political storms. A very small number actually degenerated into corrupt, bribe-taking elements, and speculators, leaving a very bad influence among the masses. If we do not seriously deal with these problems, the party will not have combat power; if we do not crack down severely on corruption, we will not be able to guard against "peaceful evolution." We should resolutely implement the policy of strictly ruling the party, strengthen the party's ideological and organizational building, set right the party's style, boost party unity, and strive to comprehensively raise the party's combat power and cohesiveness.

Important Topics for Party Building

Comrade Jiang Zemin pointed out in his December 1989 address at the party building theoretical study class: The fundamental targets at the present stage of party building are "to build our party into a stronger vanguard of the working class armed with Marxism-Leninism-Mao Zedong Thought and to make the party a firm center of leadership for building socialism with Chinese characteristics." There are a series of topics we should study surrounding this main theme.

First, a fundamental principle of party building is that the party, faced with the challenge of various erroneous thoughts, must remain firm throughout in being the working class' vanguard force.

The CPC has always insisted, with a clear-cut stand, on its being a vanguard for the Chinese working class. This is because the CPC takes the working class—the most advanced class—as its class base and Marxism-Leninism-Mao Zedong Thought—the most advanced theories—as its theoretical guidance. This is our political

superiority and it must not be altered under any circumstances. The CPC, which leads the people of the whole country in constructing socialism, must have the working class as its class base; neither the party's nature nor its leading status can be changed. We must firmly maintain being the vanguard of the working class, explore ways to genuinely rely wholeheartedly on the working class in the party's practical work and various social activities, vigorously support the working class and broad mass of laboring people as the masters, and give full play to the working class's role of being the main force in socialist modernization.

Second, fully and correctly implement the party's basic line and continually strengthen and improve party leadership to make the party a firm center for the construction of socialism with Chinese characteristics. This is an important mission for strengthening party building.

The party's basic line must be realized at various front lines, areas, and in work items. Party organizations at various levels should all seriously sum up the experience in implementing the basic line, continually improve their own leadership, raise self-understanding, avoid being blind to the consequences of one's actions, and reduce impartiality. For example, relationships such as between upholding economic construction as the center and strengthening the party's ideological and political work; between adhering to the four cardinal principles and adhering to reform and opening up; and that between developing the commodity economy and maintaining arduous struggle and being clean and upright, all require to be correctly handled with a dialectic viewpoint. Based on the last few years of experience, to really get down to learning to pay equal attention to both material and spiritual progress and to overcome biased attention, proves to be an outstanding problem in improving party leadership. In large-scale economic construction, we must pursue separation of party and government functions and let government and functional departments handle economic affairs. This is not weakening party leadership. On the contrary, party committees will be holding the overall situation in hand and steering the wheel; taking care of ideological and political work; and motivating all persons involved, ensuring the implementation of the party line, principle, and policy and promoting economic construction and smooth unfolding of various projects. Party committee must grasp things with two hands, as should the party member-cadres at governments and functional departments. They must be good at professional as well as ideological and political work.

In improving party leadership, improving democratic centralism, and making decisions more democratic and scientific are very important issues. Democratic centralism is not only the party's organizational principle but also an embodiment of the mass line in inner-party life. We, as part of party organizations at every level, live every day in the process of democratic centralism. But some comrades did not understand that our decisionmaking is a process in which decisions come from and return to the masses and are

centralized and sustained and a process that continually adheres to truth and correct mistakes in practice. Sometimes, democracy was not given enough play and different wills within the party were not fully articulated—and hence a failure to mobilize incentive. Sometimes, we did not have sufficient centralism and failed to form a unified will and action. Some comrades based their actions on local consideration and ignored the overall situation or followed their own separate ways and even adopted the wrong attitude of "neutralizing each policy from above with a measure of their own"—all these problems need to be seriously studied and solved. And we must build and perfect a democratic and scientific decisionmaking system.

Third, insisting on wholeheartedly serving the people and strengthening the close ties between the party and people are our party's two excellent traditions. This is particularly true given our present ruling position, under which the problem of whether we can maintain these traditions determines whether we can preserve the nature of the party and successfully fight corruption and prevent a change of nature.

The Sixth Plenary Session of the 13th CPC Central Committee made important decisions concerning strengthening ties with the masses. The problem now is to mobilize the party to conduct constant inspection and to implement well the decisions on the ideological, organizational, and institutional levels. We must educate party members and cadres with huge amounts of facts, positive as well as negative, that "everything is for and by the people." This is the basic point of departure and ground for communists. Bureaucratism, abuses of powers for personal gain, graft and corruption, and being divorced from the masses are all incompatible with the claim of being a communist. To obtain people's trust and support, we must bear in mind the party's aims and through practical personal actions and exemplary acts, make the masses feel in small specific matters that everywhere the party has nothing in mind but their interests and is working in a down-to-earth manner for their interests. If each party member can voluntarily do this, our party will forever be rooted in people's hearts and will always be in an unassailable position.

Setting right the party style, fighting corruption, and preventing a change of nature are important matters intimately concerned with the whole party and people. No matter how great the difficulty, how many the disruptions, or how hard the investigation and handling, we shall be able to achieve results if the whole party is mobilized and if discipline and supervision departments work hand in hand with mass supervision and all of them unremittently grasp the effort. The building of party style must also start with fundamental work, we must grasp ideological education and building of institutions, vigorously exercise the party's three great styles and excellent tradition, launch criticism and self-criticism in the spirit of rectification, and advocate combining theory with practice and oppose words not tallying with deeds or empty talks. We must build and perfect a top-to-grass-roots responsibility inspection system and a

grass-roots-to-top supervision system inside and outside the party; and with the institutions as the guarantee, carry out in a down-to-earth manner the building of party style.

Strengthening the building of the party's grass-root organizations and raising party organizations' combat power should be a chief item in connection with maintaining close ties with the masses. Grass-root party organizations in rural areas, cities, mining enterprises, factories, schools, and government organs have the closest ties with the masses, and are the first-line units that directly propagandize and implement the party line, principle, and policy to the masses. Their work performance directly affects the masses' interests and the party's authority. Thus party's grass-root organizations must give better play to the role of a fighting bastion and communists must better play the advanced and model role.

Fourth, cadres at various levels of our party are now at the stage where the new generation is succeeding the old. Therefore, the current urgent mission, which is also a policy of far vision, is to ensure that the party and government leadership power at various levels remains in the hands of people loyal to Marxism, and to train and foster tens of thousands of reliable successors to the socialist cause.

The most important thing in training and fostering reliable successors to socialism is to educate and arm all party members, especially leading cadres, with Marxism-Leninism-Mao Zedong Thought, and raise their political quality and organizational and leadership power to enable them to withstand the three trials under the new situation. We should train our eyes on the 21st century, seriously study principles that underlie the growth of cadres into maturity, put efforts to train tens of thousands of cadres that will uphold and be good at marching along the socialist path.

Qiao Shi Urges Party School To Study Marxism

OW1307005191 Beijing XINHUA Domestic Service
in Chinese 1042 GMT 12 Jul 91

[By reporter Liu Siyang (0491 1835 2254)]

[Text] Beijing, 12 Jul (XINHUA)—Speaking today at the 1991 summer commencement ceremonies of the Central Party School, Qiao Shi, member of the Standing Committee of the CPC Central Committee Political Bureau and president of the Central Party School, emphasized that studying Marxism is a lifetime mission for every CPC member, especially every leading party cadre.

A total of 2,940 students graduated from the Central Party School this summer. Of them, 984 were students of advanced studies, training, and theoretical departments, and the remainder were off-campus students.

Qiao Shi extended congratulations to the students on behalf of the CPC Central Committee and the Central Party School party committee. He said: Comrades,

although you have completed your studies at the party school, you still have not concluded your task of studying Marxism. It is necessary to view your graduation as a new starting point and engage in further studies by continuing constantly to conduct thorough studies in your future endeavors. Currently, it is essential to study earnestly Comrade Jiang Zemin's "1 July" speech, the second edition of *Selected Works of Mao Zedong*, party history, and theory on party building.

Qiao Shi said emphatically: When conducting studies, it is necessary to steadfastly uphold linking theory with practice, seeking truth from facts, and keeping definite objectives in mind. It is essential to integrate deftly the basic Marxist principles and central policies with the practical conditions of local areas and departments, and to improve continuously one's way of thinking in theoretical matters and ability to implement policies.

Qiao Shi said: As consistently emphasized by Comrade Mao Zedong, we should conscientiously study and try to understand basic Marxist principles, master the spiritual essence of Marxism, and apply Marxist stands, viewpoints, and methods to solving practical problems in China's revolution and socialist modernization, if we want to become true Marxists.

After analyzing international and domestic situations, Qiao Shi stated: We can become invincible so long as we continue to implement the line, principles, and policies pursued since the Third Plenary Session of the 11th CPC Central Committee; unswervingly advance along the path of socialism with Chinese characteristics; genuinely build the party well; forge close ties between the party and the people; promote economic construction; and effectively nurture successors to Marxists.

Wang Deyong, representative of students of advanced studies and manager of Jinchuan Nonferrous Metals Company in Gansu Province; Yi Junhua, representative of students of the training department and vice chairman of the Inner Mongolia Autonomous Government; and Ren Zhanyong, representative of students of the theoretical department and director of the theoretical research institute of the Jiangxi Provincial CPC Committee's party school, spoke separately at the ceremonies. They underscored the need to continue to study, strive to improve their Marxist theoretical standards, and perform various tasks more efficiently after returning to their posts.

Qiao Shi and responsible persons from relevant departments Chen Zuolin, Wang Renzhi, Wang Weicheng, Zhao Zongnai, Zhang Shengzuo, and Li Jinai presented certificates to the students.

Xue Ju, executive vice president of the Central Party School, presided over the ceremonies.

Editorial Promotes Rural Ideological Education

CM1207213991 Beijing RENMIN RIBAO in Chinese
13 Jul 91 pp 1,4

[Editorial: 'Further Improve Socialist Ideological Education in Rural Areas']

[Text] Socialist ideological education has been smoothly unfolded in the vast rural areas throughout the country, producing marked results. The education has heightened patriotism and the consciousness of collectivism and socialism among the masses of peasants, reinforced the leadership's central role in party branches and the exemplary vanguard role of party members in rural areas, forged closer ties between the party and the masses of peasants, and facilitated rural reforms and economic and social progress in all fields.

Conducting socialist ideological education in rural areas is an important matter for the national interest, and an essential measure for strengthening and improving the party's leadership over rural work under the new circumstances. Socialist ideological education is a demand for reinforcing the alliance of workers and peasants, consolidating the socialist front, and opposing "peaceful evolution" in rural areas; as well as a demand for implementing the party's basic line, promoting the building of two civilizations, and realizing the second-step strategic goal of the modernization drive. The facts have shown that the decision by the party Central Committee and the State Council to launch socialist ideological education by stages and in groups in all rural areas within two to three years is entirely correct.

Since the Third Plenary Session of the 11th CPC Central Committee was convened, the Chinese countryside has undergone historic changes. Under the party's leadership, the masses of peasants have demonstrated a remarkable innovative pioneering spirit and a sense of responsibility as the masters of the country, enabling China's rural reforms and construction to score tremendous achievements, which are noticed by the world, and effectively promoting the undertaking of socialist reform and construction as a whole. From the enormous changes they have personally experienced, the peasants have further recognized the communist party as a true representative of their interests and the socialist system as the fundamental guarantee for their happiness, and have become more steadfastly supportive of the party's leadership and socialist system. However, we should also notice that as a result of "promoting one aspect of work to the neglect of the other" a few years ago, ideological and political work was overlooked, and the education on the four cardinal principles slackened. There are a number of problems in rural areas which urgently need to be solved. For example, some cadres and people do not understand the socialist orientation of the party's rural policies and are confused, having misgivings about what should be upheld and developed in order to build socialism with Chinese characteristics in rural areas; some peasants have a weak concept of the country and collective; a few grassroots party organizations are weak and lax, and some

party members and party member-cadres fail to play the exemplary vanguard role; in some places, decadent capitalist ideas have emerged and vestiges of feudalism have grown to a certain extent, resulting in chaos in public security and management—and so on and so forth. These phenomena have affected and restricted economic development and undermined social stability at varying degrees in rural areas. In order to solve these problems once for all, it is imperative to conduct extensive, in-depth, and systematic socialist ideological education in the light of the realities of rural areas.

In conducting socialist ideological education in rural areas, it is necessary to adhere to the main theme of ideological education, promote the central task of economic development, and focus efforts on strengthening the construction of grassroots organizations in comprehensively fulfilling all tasks of education. In educating, it is necessary to pay particular attention to the three following tasks: 1. We should conduct the education on patriotism, collectivism, and socialism and further permeate the rural front with the socialist ideology, in order to enable the masses of rural cadres and peasants to clearly understand the basic principles to be observed in building socialism with Chinese characteristics and to adhere to the correct political orientation, thereby gradually training and bringing up a new generation of peasants who are educated and disciplined and have ideals and sense of morality. 2. We should implement comprehensively and correctly the party's principles and policies in rural areas, maintaining the responsibility system with the household contract linking output to payment as the main form, improving the dual management system that combines household with collective operations, developing a socialized service system in rural areas, and gradually boosting the strength of the collective economy, so as to further promote the commodity economy and the flourishing of construction in various fields in rural areas and gradually realize common prosperity. 3. We should strengthen the construction of rural grassroots organizations with party branches as the core, and bring into full play the nucleus role of party branches and exemplary vanguard role of communist party members in rectifying public order and promoting the construction of socialist democracy, the legal system, and spiritual civilization in rural areas. These three tasks are complementary to each other, and none are dispensable. They must be fulfilled comprehensively.

In conducting socialist ideological education in rural areas, it is necessary to persistently proceed from the reality in each locality or unit in seriously solving outstanding problems of concern for the masses and cadres. The emphasis of education in each locality must be conducive to further harnessing the enthusiasm of large numbers of cadres and people, promoting rural social stability, and facilitating the building of two civilizations and all-round development in rural areas.

Judging from the experience in the earlier stage, it should be a good practice to transfer cadres of party and government organizations at and above the county level, who have a better understanding of policies and are more experienced in rural work, to work teams headed

by leading cadres, and to station them in rural areas to specifically help local party organizations and grassroots cadres improve socialist ideological education. This practice can not only help carry out socialist ideological education, but also train and enrich cadres and improve office work style. Once stationed in rural areas, work teams should conduct in-depth investigations and studies to find out problems which cadres and the masses are most concerned. They should also map out well-conceived work plans and adopt interesting and effective forms of education. It is necessary to draw lessons from historical experiences, pay attention to work methods, stress actual results, and guard against formalism, perfunctoriness, and simple rough approaches. Before going down to the countryside, work teams should complete training; study theories, policies, and work methods; assign duties; reinforce discipline; and instruct members to emulate Jiao Yulu in doing a good job in the work of the masses. Work teams should, under the unified leadership of local party committees, carry out the work through grassroots party organizations and adhere to the mass line. In solving problems, work teams should not take care of everything, but should devote themselves to building up rural grassroots cadres' capability to analyze and handle problems, and pay attention to establishing "stationary work teams" in rural areas.

It is necessary to persist in popularizing education and concentrating it on focal points simultaneously. In popularizing education among the peasants, it is necessary to focus it on rural grassroots cadres, communist party members, and Communist Youth League members in rural areas. Herein lies the key to ensuring the smooth progress and fruitful results of education. We should educate them to strengthen the socialist conviction, foster a firm mentality of serving the people wholeheartedly, bring into full play the exemplary vanguard role, and lead the masses in taking the road of common prosperity and becoming well off through self-reliance, hard work, and diligence. Since the beginning of this summer, a large number of grassroots cadres and communist party members have stood in the front line as role models in fighting floods and dealing with emergencies, winning admiration from the masses. Such a good style should be continued. In the event of problems involving serious violations of law and discipline by grassroots cadres found in the course of education, they should, of course, be handled. However, it is necessary to first understand problems fully and then handle them strictly according to the party and administrative discipline and state laws.

It is necessary to combine the conducting of ideological education with performing concrete tasks for the masses. While earnestly carrying out ideological education, we should adopt effective measures to help peasants solve some practical problems in production and everyday life so as to enhance their sense of responsibility toward the collective and socialism, and boost the appeal of education. Ideological education and concrete help should go hand in hand, but cannot replace each other. They must be organically integrated in order to achieve the desired results.

Launching socialist ideological education is a new starting point for strengthening and improving the party's ideological and political work in rural areas. Party committees in all localities should conscientiously summarize experiences in the earlier stage, conduct in-depth investigations and studies, and further step up concrete guidance over the work so as to promptly solve problems once they are discovered. In the course of conducting the education, it is necessary to explore new ideas, establish and complete rules and regulations, and improve the quality of the ranks, so as to achieve a big advance in the party's ideological and political work in rural areas.

Reports Continue on Housing Reform

Rural Program Problems

HK0507061091 Beijing CHINA DAILY in English
5 Jul 91 p 3

[By staff reporter Xiao Li]

[Text] Housing in rural areas has seen vast improvements in the past 10 years of reform, but construction has encountered new problems in the shape of poor design and safety standards, wasted building materials, and misuse of land.

The Ministry of Construction said that in the 10 years to 1988, members of the 800 million-strong farming community built, renovated and refurbished houses with a total floor space of 6.2 billion square metres, which is roughly twice the construction area completed from 1949 to 1978.

More than 86 million rural households had abandoned their former thatched sheds and shifted to spacious new dwellings, accounting for 43.7 percent of the country's gross rural labourers.

The farmers working along and in the south of the Yangtze River, who are better-off than their counterparts in the north and northwest because of their lucrative township enterprises, have built more luxurious houses, the officials said.

Of the newly-built houses, 80 percent have more than two storeys in the much developed rural areas in Jiangsu, Zhejiang and Guangdong provinces.

The rural construction boom, however, has produced many unresolved problems.

One task, according to the officials, will be to discourage the traditional rural practice of "living for house," or spending much of their savings on spacious housing. The competition between many rural communities to build ever more luxurious dwellings should be curbed.

Houses and land are the lifeblood of Chinese farmers. Many have left the soil and turned to business or

industry since the introduction of the contract responsibility system, but houses remain of primary importance to them.

However, some economists have pointed out that encouraging rural housing construction has so far proved to be an effective way to empty the farmers' bulging wallets.

To improve the architectural design of rural housing, provincial and county design institutes and departments will be encouraged to provide farmers with a good selection of blueprints, the officials said.

Frequent investigations will be carried out to guarantee satisfactory living quarters for the farmers and the government is to invest in the training of 40,000 designers and engineers for them.

At present, about two-thirds of rural townships do not have anyone overseeing construction of farmers' housing, and there is only one architectural engineer for every 10 rural counties.

A recent ministry study of the rural housing quality in nine provinces and autonomous regions found that more than 20 percent falls below State safety standards.

Rural situation and environmental conditions have not improved, and in some areas they have even deteriorated, the officials said.

Per capita living space in the country is 19.4 square metres, three times higher than that of the average urban dweller.

Chen Jinhua's Ideas

HK1007121591 Hong Kong LIAOWANG
OVERSEAS EDITION in Chinese No 27, 8 Jul 91 p 2

["Letter From Beijing" by Bao Xin (7637 0207): "New Line of Thinking in Reform of China's Housing System"]

[Text] Dear brother:

It has been nearly 10 years since China's housing system reform was initiated in the early 1980's. Because this reform covers a vast scope and is very complicated, it is carried out on an experimental basis in various localities. In recent years, reform of the housing system has been carried out comprehensively in 12 cities and 13 towns and counties around the country, while isolated reform projects were initiated in more places. According to an official of the State Council's Office on the Reform of the Housing System, this reform is now experiencing its second peak, as definite progress has been made in the big cities like Shanghai and Beijing, while reform plans are about to be introduced in 19 cities in Guangdong Province. The state has also asked more than 400 cities around the country to step up the pace of the reform.

However, the most interesting feature of this reform can be found in the new line of thinking which was revealed the other day by Chen Jinhua, head of the State Council's leading team on the reform of the housing system and director of the State Commission for Restructuring

the Economy: Use higher rents as a fundamental point in reforming the housing system. He stressed that a readjustment of the low rents for public housing is the "core link" in the reform of the housing system. The rents of all public housing in the country will have to be rationally readjusted (that is, raised) within this year.

In the past decade, all localities have engaged in different experiments, but the basic objective remained the commercialization of housing in order to break the system where houses are built by the state and by entrepreneurial units and are then leased to residents at low rents. In the past, this system of public subsidy and low rental has always been affirmed for its reported superiority. In fact, it brought no end of troubles given that the state spends a vast amount of money to build the houses and in return collects rents which can barely cover a third of the expenses for maintenance and management. The state has to put up an annual subsidy of nearly 6 billion yuan renmibi to pay for management and maintenance; consequently, there can be no talk about collecting a reasonable amount for depreciation and other fees. Since the state does not earn anything from the huge investments it pours into the construction of houses for the people, it cannot recover the capital in time to build new houses. As for the residents, everyone wants more houses because of the low rents. This thus opened the way for a handful of people to abuse their powers in seeking to occupy more and better houses. Thus, even though more houses have been built, there was not enough for allocation. The only way to break this vicious cycle was to end the system where the state has "monopoly" over the houses, and instead, replace it with the commercialization of housing.

However, it will not be easy to achieve the comprehensive commercialization of housing immediately. The tenants of public housing will not have that much money to buy the houses now, while those with money will not be able to find the houses they want to buy. Judging from the experiments undertaken in various localities, this can only be carried out gradually and as conditions permit. At the moment, Chen Jinhua's announcement about resorting to higher rents is in fact a powerful impetus to the reform of the housing system. [new graf]

It now appears that the merit of this method is: In the long run, it can boost the tenants' initiative to save money to buy a house and contribute to the commercialization of housing; in the short term, it can suppress the boundless desire to occupy more houses and ease the housing shortage. At the same time, the collection of higher rents will contribute to the recovery and circulation of housing construction capital, step up the pace for housing construction, and satisfy the people's demands. [new graf]

Well then, will this method work? In my opinion, it is very practical. According to 1987 estimates, the monthly rent in the country is only 13 cents per square meter. If calculated based on the costs in depreciation, maintenance, and management, the rent per square meter

should cost at least 60 to 80 cents (five times higher than the present rate), a rate which will allow for breaking even in terms of rent and cost. If calculated based on the costs in maintenance, management, depreciation, investments interests and real estate tax, rent per square meter should come to 1.56 yuan (more than 10 times the present rate). If calculated based on costs in maintenance, depreciation, management, interest, real estate tax, profit, land rental, and insurance fees, then rent per square meter will be 2.30 yuan (roughly 18 times the present rate). If this rental level is reached, the commercialization of housing will begin to materialize. But such high rents may not be affordable for low-income employees and workers. Hence, higher rents will not provide the "immediate solution." According to the plans of the departments concerned, rents based on calculations of the five costs will be gradually introduced from now up to the next 10 years, with the objective of laying down the preliminary foundation for a benign cycle characterized by self-accumulation in housing. While this will also increase the burdens of tenants, they will be able to absorb them as long as there is unified planning, measured and coordinated methods, and gradual and appropriate increase in rents. Looking at the present situation around the country, the savings, bonds and debentures, and floating capital in the hands of urban and rural residents total nearly 800 billion yuan. The most pressing and most realistic consumption need of the people at the moment is the purchase of houses. If the commercialization of housing can be boosted through higher rents, the people's expenditures devoted to housing adequately increased, and the floating capital in society diverted into the purchase of houses, then the state and units will have the capital to build houses while the residents can look forward to better housing. The housing problems which have troubled the Chinese people for many years will be eased gradually, while the absence of economic performance in the state's annual investments in housing construction will be reversed gradually, thus saving a lot of capital which can be invested in construction. This will provide a great impetus to the economic development and is indeed a good thing which benefits both the state and the people.

[Signed] Bao Xin

[Dated] 30 June

World Bank Proposal

HK1107073991 Beijing ZHONGGUO XINWEN SHE
in Chinese 1110 GMT 10 Jul 91

[Report: "The World Bank Puts Forward a New Idea for China's Housing Reform"]

[Text] Beijing, 10 Jul (ZHONGGUO XINWEN SHE)—Though China's housing reform has been under discussion for a long time, the reforms have proceeded with great difficulty. After making investigations and studies of the problem for two years, a housing inspection group from the World Bank put forward a solution.

The study report written by the inspection group is entitled "China's Housing Reform in Cities and Towns: Problems and Optional Solutions." The report proposes to set up a series of competing companies letting residential units and rebuilding the operational mechanism handling supply and demand of residential houses. RENMIN RIBAO carried a commentary on the report today.

The World Bank's overall assessment of China's existing housing reform program is: China has made many useful explorations in this respect, but it has yet to formulate an overall reform program. In particular, it has failed to make the formation of a system the core of the existing reform program.

Setting up housing-letting companies is designed to sever the tie between the units to which workers belong and workers' power to select residential units, and to transfer authority over distribution and maintenance of houses to independent entities responsible for the management of property—housing-letting companies. The owners of assets will collect rent from tenants. The government and state-run enterprises public departments [as published] will gradually withdraw from the housing market so that construction of residential units will depend upon demand from housing-letting companies and tenants.

The study report pointed out that the principal difficulty with China's existing housing reform lies in the fact that the price of newly built houses exceed residents' purchasing power. In many countries in the world the ratio of housing prices to the annual income of urban residents' usually fluctuates between 2:1 and 6:1. But in China the ratio is 20:1.

The report is also critical of China's two major measures of housing reform: Higher rents and the sale of residential units at low prices.

As early as 1986, Changzhou City in Jiangsu Province suggested the socialized commercialization of residential units. The report, however, suggested setting up a series of competing housing-letting companies, which constitutes the core of a new system. The reforms in other respects, including property rights, rents, construction of houses, and related financial affairs will be carried out around the core.

It is reported that the report was well received by China's construction ministry, finance ministry, construction bank, state planning commission, state commission for restructuring the economy, and cities including Beijing, Tianjin, Shanghai, Yantai, and Guangzhou.

Justice Minister Writes on Legal System

HF1007083591 Beijing QIUSHI in Chinese No 11
1 Jun 91 pp 16-18, 45

[Article by Minister of Justice Cai Cheng: "Intensively Conducting Publicity and Education in Legal System Is a Long-term Task of Strategic Significance"]

[Text] In December last year, the CPC Central Committee, and State Council approved and transmitted the "second five-year work of the Central Propaganda Department and Ministry of Justice on Publicity and Education in the Legal System Among Civilians." In March this year, the 18th session of the 7th NPC [National People's Congress] Standing Committee further adopted a "Resolution on Intensively Conducting Publicity and Education in the Legal System." It was decided that from now and for the next five years, China will continue to popularize general knowledge about the legal system among all those civilians who are capable of receiving education. This is a major event in China's legal construction, as well as a major event for the whole party, and for the political life of people across China. This fully reflects the CPC Central Committee, NPC, and the State Council all of whom attach great importance to the development of socialist democracy, and to perfecting the socialist legal system. This also symbolizes that the work of popularizing general knowledge about the legal system has reached a new stage.

Publicity and education in the legal system is a long-term task of strategic significance. The first five-year work of popularizing general knowledge about the legal system was started in 1986. Since then, and after hundreds of millions of people across China made joint efforts, we have made remarkable achievements: Cadres and the masses have studied in varying degrees basic knowledge about the constitution, criminal law, criminal procedure law, civil procedure law, marriage law, law of inheritance, economic contract law, conscription law, autonomy law of nationality regions, general principles of civil law, and regulations on the control of public order and punishments. They have established and strengthened, to varying degrees, their concepts about the legal system, and have established preliminary concepts about exercising their rights according to the law, voluntarily performing their obligations, observing the law, and supervising various undertakings according to the law, thereby promoting development in various types of work. Nevertheless, such achievements in popularizing knowledge about the legal system were only a beginning. It is only a step forward from a low starting point and there is still a long way to go before meeting our requirements for building China's socialist legal system and spiritual civilization, and before meeting our lofty socialist goals of building socialism with Chinese characteristics. We must stay sober-minded in understanding such facts in this respect.

China's feudal society was more than 2,000 years old, and its tradition had neither democracy nor a legal system. After the founding of the state, there was a considerable period of time that we, for a variety of reasons, did not attach great importance to the building of socialist democracy and a legal system, nor conducting any systematic publicity or education on the legal system. Consequently, most cadres and people generally knew little about the law. Their concepts about the legal system were rather weak, still less supervising their

undertakings according to the law. The situation was considerably improved after we popularized general knowledge about the legal system in the first five-year plan. However, this basis was not firm enough. Many cadres are still used to supervising their work by depending on administrative means. Many people prefer constraining their deeds, as well as readjusting their relations, by relying on ethical norms and common practice rather than relying on laws. There were even a number of cases of violations of the law. Therefore, to eliminate the influence of tradition developed over the past 1,000 years, to overcome the thinking of ignoring laws, to establish new thinking about socialist democracy and legal systems, and to develop the practice of handling matters according to the law, can only be a lengthy process of accumulation. Being a fundamental project in the building of the legal system, our work of popularizing knowledge about the legal system must be continuously carried out. In the final analysis, the purpose of conducting publicity and education in the socialist legal system is to improve the quality of all nationalities in law education. Judging from the rule of development in human society, in order to develop new thinking, there must be a long-term process of imbuing people with, and nurturing them in, such thinking, in addition to the objective inevitability and necessity. Only thus can such thinking be gradually cultivated and established. But this cannot be done without spending several decades of effort. Thinking that publicity and education in the legal system may be accomplished overnight, or that the work can be done once and for all, is impractical. We must fully understand the long-term nature, as well as the difficulty, of work concerning publicity and education in legal systems. We should establish the thinking of waging long-term struggles, and continue to intensively conduct publicity and education in the legal system.

To intensively conduct publicity and education in the legal system is necessary for upholding the four cardinal principles, and for ensuring that China develops in the socialist direction. The four cardinal principles are the general guiding ideology, as well as the soul, of China's constitution. They are also the basic principles on which all China's laws are based. Therefore, to uphold the four cardinal principles, and to oppose bourgeois liberalization, are obligations that should be discharged by everyone. Nevertheless, after the "first five-year work of popularizing knowledge about the legal system," cadres and the masses have become familiar with the system. But their extent of understanding was still far from enough. Many people still failed to link the attitude of upholding the four cardinal principles to the strict observation of the constitution, or to the practice of handling matters strictly according to the law. This was indicated by the occurrence of turmoil and counterrevolutionary riots in the capital, Beijing, in 1989 when spring was changing into summer. It should be acknowledged that politically, that political disturbance was a result of upholding the four cardinal principles, and serious battles against bourgeois liberalization. Of those people who took part in the demonstration, the hunger strike, and

the petition, most were deceived and did not understand the truth. However, many of these people paid no attention to the constitution and the law. Furthermore, certain localities in China did not educate the masses in the constitution and the law and failed to persuade the masses to wage a struggle against the turmoil and counterrevolutionary riots. This indicated that people's thinking about our socialist legal system was still weak. Therefore, we must continue to intensively conduct publicity and education in the legal system. In particular, we should intensively conduct education in the constitution among cadres and the masses, to make them realize that to uphold the four cardinal principles is not only a position advocated by the party, but is also the foundation of our state, and the general guiding ideology of the constitution. To uphold the four cardinal principles, and to oppose bourgeois liberalization are a sacred obligation for every one of us. Anyone who opposes the four cardinal principles opposes China's Constitution, which is a violation of China's Constitution. Under no circumstances must this be allowed.

To intensively conduct education in the legal system is to promote the practice of handling all matters according to the law and to accomplish the needs of the "Eighth Five-Year Plan" and the "10-Year Program." The work of popularizing knowledge about the legal system in the second five-year work takes the constitution as the theme, and takes particular laws as the focal point, to promote the practice of handling all matters according to the law. This year is the first year of the second five-year work of popularizing knowledge about the legal system. It is also the first year of the "Eighth Five-Year Plan" and the "10-Year Program." The central task of the "Eighth Five-Year Plan" and the "10-Year Program" is to ensure that China develops in the correct socialist direction, that we are unswerving in implementing reforms and opening up, that we are unswerving in implementing the principle of pursuing a continuous, steady, and coordinated development of the national economy, that we smoothly realize China's second strategy goal of modernization, and that we build China into a socialist state marked with Chinese characteristics. It requires a legal system to safeguard our socialist modernizations, reforms, and opening up. At present, there are still many problems in our economic construction, reforms, and opening up, which need to be solved by strengthening the legal system. For example, social order is so critical that it is necessary to tackle it by strengthening the legal system. We must speed up legislation on economic laws, and strictly enforce these laws so as to do well in economic work. Administrative organs at all levels must strengthen their administrative work by acting according to the law, to improve the macroeconomic control capability of the government. We must strengthen the concept that civil servants should act according to the law, to improve the efficiency of government workers. We must solve a series of problems about running operations and management according to the law, to strengthen the vitality of enterprises. This much requires that we must carry out the work of

popularizing knowledge about the legal system in a more down-to-earth manner, to promote further perfection and development of the work. Law is part of the superstructure. It is determined by the economic foundation while affecting it. In order to give full play to the functions of laws in the economic foundation, and to turn laws into mighty material strength, we must popularize general knowledge about the legal system and let the people understand the law so that they will be familiar with the law. Once the people are familiar with China's socialist laws, which reflect the objective economic rules, such laws will inevitably be turned into a mighty material strength to promote the development of China's socialist economic construction. If all trades do well in studying particular laws relating to their fields, and handle these matters strictly according to the law, in the second five-year work for popularizing knowledge about the legal system, this will greatly promote the realization of the "Eighth Five-Year Plan" and the "10-Year Program."

To intensively conduct education in the legal system is an important part of the work of building the socialist spiritual civilization, and in the work of cultivating a new generation of people marked by the "four have's." Judging from the building of spiritual civilization in human society, a high level of legal training is a compulsory requirement of man in modern times. In a socialist country, a high level of socialist legal training is a compulsory condition for developing a new generation of socialist man. Like our education in socialist ethics and communist thought, education in the legal system is a proper element in the building of socialist spiritual civilization. In addition, it is the most fundamental education. Therefore, on popularizing knowledge about the legal system, Article 24 of China's Constitution provides that it shall be an important integral part of the building of socialist spiritual civilization. Comrade Deng Xiaoping once said that in building socialism marked with Chinese characteristics we must educate the people to have ideals, morality, education, and discipline. He also pointed out that to have discipline mainly referred to the observation of policies and laws. To know about and observe laws is the basic requirement of the "four have's." Anyone who has lofty communist ideals and high morality, has received a high level of education, and has the correct concepts about strict organizational discipline, must be a person who observes both discipline and laws. On the contrary, it is difficult to find any trace of spiritual civilization in a person who violates discipline and laws. Our experience in the work of popularizing knowledge about the legal system over the past five years has proved that wherever a locality has done well in education in the legal system, it has also done well in building the spiritual civilization, and it is a place where new generations of people marked by the "four have's" emerge one after another. For example, Benxi City is China's advanced city in the work of popularizing knowledge about the legal system. It is also an advanced city in the work of building spiritual civilization. As many as 100,000 out of the 300,000-odd households in

the city were praised as "model families in five aspects." Daqing is an advanced enterprise in the work of popularizing knowledge about the legal system, as well as China's advanced enterprise in the building of spiritual civilization. We must fully understand the close relationship between the "four have's" and the concept about the legal system. In the building of spiritual civilization we must profoundly understand the position and functions of work in conducting publicity and education in legal system civilization. We must continuously and intensively conduct education in the legal system, and voluntarily cultivate a new generation of people who have high ideals and morality, are educated, and observe discipline.

To intensively conduct education in the legal system is an important aspect of the work of strengthening the building of China's socialist legal system. Collectively, requirements for building a legal system are that one has laws to base on, must act according to the law, and should strictly enforce the law, or be dealt with. By saying that one "has laws to base on," we mean that the state must strengthen its legislation. Simply put, the last three statements mean that we should strictly enforce and observe the law. This requires that knowledge about the legal system must be popularized and that people have a better understanding of the legal system. Only when knowledge about the legal system is popularized can the masses observe discipline and laws in a better way; can they supervise the work of the judiciary and administrative organs in a better way; and can we really act according to the law, strictly enforce the law, and deal with anyone who violates the law. At present, what the masses complain most of is the situation that one neither observes the law, nor strictly enforces the law. We have basically managed to improve it so that one has laws to base on. Of course, we should, in the wake of development in politics and economics, continue to strengthen our legislative work, particularly the formulation of economic laws. Nevertheless, it is of great importance at present to act according to the law. The first requirement for managing to act according to law is to help cadres and the masses be familiar with legal knowledge, to strengthen their concepts about the legal system, and to help them develop the practice of acting according to the law. Therefore, we must continue to intensively conduct the work of popularizing general knowledge about the legal system.

To intensively conduct education in the legal system is a guarantee for safeguarding social and political stability, and for achieving long-term stability in the state. Our positive and negative experiences over the past 40-odd years have proved that the consolidation and development of socialist democracy must be protected by a perfect legal system. It was just as the CPC Central Committee's "Resolution on Several Party Questions Left Over From History After the Founding of the State" pointed out: Because of various historical reasons, we failed to turn the party's democratic life, or the state's sociopolitical life in a systematic or statutory form; and

even if we had formulated such laws, they did not have the proper authority. This thus provided conditions.... This thus made it difficult for the party and the state to guard against and check the outbreak and development of the "great cultural revolution." We need to satisfy conditions in many aspects in order to make laws so formulated highly authoritative. One of the most important conditions is that we should pass such laws into the hands of 1 billion people and make the laws become a powerful weapon in the people's hands. A bitter lesson drawn from the "great cultural revolution" is that it became "absolutely lawless." Under no circumstances must we allow a repeat of such a situation. Therefore, in the long run, we must use the legal system as protection in order to make our state stand tests, to maintain long-term stability and unity, and to make sure that the general principles of the state will not change as a result of change in the leadership. Only thus can we form a mighty force of supervision by the masses. Anyone who attempts to undermine democracy and sabotage the legal system will be checked. This is a very important condition for the state in achieving long-term stability. To this purpose, we must also correctly implement the party's principles on class struggle. We must oppose any viewpoint suggesting that the class struggle has ended, while opposing any viewpoint that expands the scale of class struggle. We must correctly understand that to a certain extent, class struggle still exists at the present stage. Furthermore, it may be intensified under certain conditions. We must strengthen, not weaken, the people's democratic dictatorship. In order to correctly handle these issues we must strictly observe the law and use it as our weapon in fighting against all types of crimes. From now on, and for a considerable time in future, we must always guard against and seriously hit at the sabotage activities of hostile forces and hostile elements, and must always guard against, and seriously hit at serious crimes and economic crimes. In order to strengthen the struggle against crimes by means of the law, we must strengthen education on the legal system and continue to intensively conduct work popularizing knowledge about the legal system, and enhance the thinking of cadres and the masses about the legal system. This is a plan of vital importance for achieving long-term stability in the state.

Simply put, the immediate significance and historical importance of the work of educating hundreds of millions of people in the legal system have been preliminarily shown over the past years. It is anticipated that after the second five-year work of popularizing knowledge about the legal system, there will inevitably be a new situation in China's building of the legal system. By then, through another round of publicity and education on the constitution, citizens' thinking about the constitution will be further enhanced, as will be their willingness to maintain the dignity of the constitution, and safeguard the implementation of the constitution. The four cardinal principles will strike deeper roots in people's hearts. The masses will have a firmer faith in the socialist direction, and the state's politics, economics, and society will become more stable. Cadres, particularly

leading cadres, will be able to master legal knowledge about their particular trades and systems, will preliminary know how to exercise their administrative and supervisory duties according to the law, and will promote development in politics, economics, culture, and other undertakings. The masses will become more willing to lawfully exercise the rights entrusted to them by law, and to discharge the obligations stipulated by the law. Through the second five-year work of popularizing knowledge about the legal system, there will be more advanced models who handle matters according to the law. Cities, counties and towns, as well as trades, that act according to the law will take on a new face, so that a solid foundation for ruling the state according to the law will be laid and experience in this respect will be gained. We must fully understand the strategic significance of this work and strive to accomplish such a glorious and arduous task, favorable to both the state and the people, entrusted to us by history.

Jin Jian Interviewed on Reform-Through-Labor Laws

HK1007092391 Beijing RENMIN RIBAO in Chinese 9 Jul 91 p 3

[Report by reporter Mao Lei (3029 4320): "Interview With Vice Minister of Justice Jin Jian on Studies of Law on Reform Through Labor"]

[Text] Beijing, 8 Jul (RENMIN RIBAO)—In an interview with reporters today, Jin Jian, vice minister of justice and president of the China Institute of Research on Reform-Through-Labor Laws, said: The ranks of researchers of reform-through-labor laws in our country have grown substantially in recent years, while academic exchanges both within and outside the country have also increased. At the same time, a theoretical body for socialist reform-through-labor laws with Chinese characteristics is being developed.

It was learned that the Institute of Research on Reform-Through-Labor Laws of the China Law Society which was established in 1985 currently has 663 members. Meanwhile, similar institutes set up in the country's 24 provinces, autonomous regions, and municipalities have a total membership of 9,090.

Over the past three years, this research team has conducted theoretical research and discussions at different levels and in different manners. In the northern, eastern, northeastern, southern, and southwestern regions alone, a total of nine academic seminars were held where various issues were studied and explored intensively, including: "reflections and thoughts on the reform of reform-through-labor undertakings," "how should reform-through-labor organs perform their functions at present," and "unique features in the detention of criminals and rehabilitation policies under the socialist planned commodity economy". Some 763 theses were also submitted.

The organs under our country's Institute of Research on Reform-Through-Labor Laws also carried out academic

exchanges with countries like the United States, Germany, Japan, and Italy. They spoke about our country's accomplishments in the study of reform-through-labor laws and publicized our country's system of rehabilitating criminals by reform-through-labor. At the same time, they borrowed the useful experiences of other countries.

In replying to the question of "how the current state in the study of the theories concerning reform-through-labor laws in our country should be assessed," Jin Jian held that the organs under our country's Institute of Research on Reform-Through-Labor Laws have already completed the compilation of special works and teaching materials on this subject and have formed their own theoretical body.

Statistical Bureau Issues 10th Census Communiqué

OW1107084391 Beijing XINHUA Domestic Service in Chinese 0920 GMT 8 Jul 91

["State Statistical Bureau's 10th Communiqué on the Major Data of the 1991 Census"—XINHUA headline]

[Text] Beijing, 8 Jul (XINHUA)—The State Statistical Bureau recently issued its 10th communiqué on the major data of the 1991 census. The communiqué carries the following data on the population that has moved from one place to another in the 29 provinces, autonomous regions, and municipalities directly under the central government,¹ obtained by sampling 10 percent of the data collected in the census:

1. Inter-provincial migration.² In the five years between 1 July 1985 and 30 June 1990, migration from permanent domiciles in the mainland's 29 provinces, autonomous regions, and municipalities to other provinces, autonomous regions, and municipalities consisted of the following four categories:

1. Those in which the ratio of the recently arrived population to the original population exceeded 1 percent were, arranged in the order from high to low, the 12 provinces, autonomous regions, and municipalities of Beijing, Shanghai, Tianjin, Qinghai, Xinjiang, Hainan, Guangdong, Ningxia, Liaoning, Jiangsu, Inner Mongolia, and Jilin. Beijing had 6.13 percent. In the other 17 provinces and autonomous regions, the ratio was below 1 percent. Guangxi had the lowest percentage, which was 0.37 percent.

2. Those in which the ratio of the departed population to the original population exceeded 1 percent were, arranged in the order from high to low, the 15 provinces, autonomous regions, and municipalities of Qinghai, Xinjiang, Hainan, Heilongjiang, Zhejiang, Jilin, Inner Mongolia, Guangxi, Sichuan, Ningxia, Gansu, Beijing, Shanghai, Hebei, and Shaanxi. Qinghai had the highest percentage, which was 2.22 percent; the ratio in the other 14 provinces and municipalities was below 1 percent, with the lowest percentage in Guangdong, which was 0.4 percent.

3. Those in which the recently arrived population surpassed the departed population were the 14 provinces,

autonomous regions, and municipalities of Beijing, Shanghai, Tianjin, Guangdong, Liaoning, Ningxia, Xinjiang, Jiangsu, Hainan, Fujian, Shanxi, Qinghai, Hubei, and Shandong. Those in which the ratio of the recently arrived population to the original population exceeded 1 percent were Beijing, Shanghai, and Tianjin Municipalities, and Guangdong Province. Beijing had the highest percentage, which was 5.00 percent.

4. Those in which the departed population outnumbered those recently arrived were the 15 provinces and autonomous regions of Guangxi, Sichuan, Heilongjiang, Zhejiang, Gansu, Hunan, Jilin, Anhui, Guizhou, Hebei, Inner Mongolia, Jiangxi, Henan, Yunnan, and Shaanxi. Those in which the recently arrived population accounted for more than 0.5 percent of the original population were the Guangxi Autonomous Region, and the provinces of Sichuan, Heilongjiang, and Zhejiang. Guangxi had the highest percentage, which was 0.92 percent.

II. Migration within provinces.³ In the five years between 1 July 1985 and 30 June 1990, of the 29 provinces, autonomous regions, and municipalities on the mainland, only in Guangdong and Qinghai Provinces, arranged in the order from high to low, did the ratio of the population that moved out of counties and cities to the original population exceed 3 percent, with 3.9 percent for Guangdong Province. Those with percentages below 3 percent, but higher than 2 percent were the 14 provinces and autonomous regions of Inner Mongolia, Heilongjiang, Fujian, Guangxi, Ningxia, Xinjiang, Sichuan, Jilin, Shaanxi, Liaoning, Yunnan, Zhejiang, Hubei, and Hunan. Those with percentages below 2 percent were the 13 provinces and municipalities of Shanxi, Jiangsu, Hainan, Gansu, Jiangxi, Guizhou, Anhui, Henan, Hebei, Shandong, Shanghai, Beijing, and Tianjin. Tianjin had the lowest percentage, which was 0.29 percent.

Notes:

¹Population migration has not been surveyed in the Tibet Autonomous Region.

²Interprovincial migration refers to those people who moved from their permanent residence from one province to another, and who completed the procedures for registering their change of permanent residence, and those people who had not completed the procedures for registering their change of permanent residence, but had resided in another province for more than a year already.

³Migration within provinces refers to those people who moved from one county or city to another and who completed the procedures for registering their change of permanent residence, and those people who had not completed the procedures for registering their change of permanent residence but had resided in other counties or cities for more than a year already.

Military

Qin Jiwei Promotes S&T for National Defense

HK1007070191 Beijing XINHUA Domestic Service
in Chinese 1058 GMT 9 Jul 91

[By Zuo Peirong (0587 1014 2837): "Qin Jiwei Calls for Efforts To Improve National Defense Mentality, Fostering Idea of Strengthening Armed Forces Through Science and Technology"—XINHUA headline]

[Text] Beijing, 9 Jul (XINHUA)—At a national meeting to commend good articles on national defense construction today, Qin Jiwei, member of the CPC Central Committee's Political Bureau, state councilor, and national defense minister, talked about national defense construction and strengthening the Armed Forces by applying science and technology [S&T]. He demanded strengthening national defense education throughout the country and improving the mentality of soldiers and civilians about national defense S&T.

Qin Jiwei said: For the last 40-odd years since the founding of the republic, China has made brilliant achievements in national defense construction under the wise leadership of the party Central Committee, Mao Zedong, and other revolutionaries of the older generation. The People's Liberation Army [PLA] has become an army composed of different arms and services possessing certain modern S&T. Tremendous development has also been witnessed in China's national defense research and industry. Apart from new guns, tanks, planes, and ships, the country can now manufacture its own atomic and hydrogen bombs, as well as medium- and long-range missiles. It has also launched satellites and carrier rockets. China has joined the ranks of world's advanced countries possessing these kinds of technologies.

Qin Jiwei pointed out: The situation in the present-day world is complicated, changeable, and full of turmoil and unrest. In this international environment, the country's security, the people's interests, and social stability cannot be ensured if we do not have powerful national defense ability. Therefore, we must make further efforts to strengthen national defense construction to cope with all eventualities. We must work hard to develop national defense S&T and to improve the modernization of the Armed Forces' weapons and equipment; to adjust the composition of national defense S&T and industry; to strengthen the construction of key national defense projects; to launch the activity of supporting the Armed Forces and the government and cherishing the people; to strengthen the unity between the Armed Forces and the government and between the Armed Forces and the people; and to strengthen the revolutionization, modernization, and regularization of the people's Armed Forces, all aimed at ensuring the smooth carrying out of socialist modernization.

Qin Jiwei called for strengthening national defense education among soldiers and civilians throughout the country. He hoped that journalists and scientific propagandists will propagate the importance of national

defense construction, the idea of being prepared for danger in peacetime, knowledge of national defense modernization, and military S&T. Widespread and in-depth propagation and education should be carried out to strengthen the national defense mentality of soldiers and civilians, to display our national spirit, and to turn this mentality and spirit into a powerful impetus in strengthening national defense construction. It is also necessary to strengthen soldiers' and civilians' mentality about S&T; to foster the idea of building the Armed Forces and the country stronger by means of S&T; to cultivate the good habit of respecting, relying on, and studying S&T; and to build China into a modern and powerful socialist country.

Articles on national defense construction is jointly sponsored by 52 press units, including the National Defense Science Popularization Commission, RENMIN RIBAO, JIEFANGJUN BAO, and the Central Television Studio. So far, 8,000 articles have been received, of which 2,000 have been published and 220 have been selected for their good contents.

Among those present at today's prize-conferring meeting were Yang Dezhi, Hong Xuezhi, Qian Sanqiang; and responsible persons from the party Central Committee, the State Council's relevant departments, the general departments of the PLA, and different arms and services.

Article on Party's Absolute Leadership Over Army

HK1207115591 Beijing JIEFANGJUN BAO
in Chinese 26 Jun 91 p 3

[By Dai Shiwei (2071 6108 3555) and Wei Aimin (7614 5337 3046): "Firmly Foster Idea of Party's Absolute Leadership Over Army"]

[Text] Persisting in the party's absolute leadership over the Army and the Army obeying the party's commands unconditionally is a concept and idea of our Army fostered during the long period of struggle and a truth paid for in blood. It is also a scientific manifestation of Marxist theory on building the Army in relation to party-Army relations.

Marxism maintains that the basic characteristics of a proletarian political party lie in its staunchness, thoroughness and advanced nature. A proletarian political party is the highest form of the class organization of the proletariat. The party and other revolutionary organizations jointly establish the system of the proletarian dictatorship. The party is the leadership and nucleus of the system. Other organizations, including the Army, are its branches, which must accept party leadership. The Army is not inherent, but a product of human society when it developed to a stage in which classes emerged and states were founded. The advent of the Army means organized class violence. According to this Marxist viewpoint, the characteristic of the proletarian Army obviously lies in the fact that it is organized violence of the proletariat. This characteristic can be divided into the

following three factors: class character, sense of organization and role of violence. It is precisely these three factors which determine that the proletarian Army must unconditionally accept the absolute leadership and commands of its political party.

As far as class nature is concerned, a proletarian Army can only accept the leadership of the political party of its class. If other political parties can also lead it, it cannot be called a proletarian Army. In this sense, the class nature of the Army also means its exclusiveness. While talking about the class nature of the Army, Lenin treated the Russian Red Army as a "tool which struggles for the interests of the laborers." Mao Zedong regarded the Chinese Workers' and Peasants' Red Army as an armed group which performed a revolutionary and political task. The further specification of the class nature of the Army means the political orientation of the Army. To stick to the political orientation of a proletarian Army, we should persist in the party leadership. In the course of founding and leading the Russian Red Army, Lenin maintained that branches of the Communist Party should be established in the Red Army, and that the ideas of the party should be used to unify the actions of the Red Army. He also pointed out that a political department should be set up in the Red Army, and a Communist Party member should hold the post of the political commissar who specifically exercised party leadership over the Red Army. From the redesignation in Sanwan [0005 3494] village up to the present, our Army has always persisted in establishing party branches in companies in order to maintain the party's absolute leadership over the Army. In addition, the Army relies upon party organizations to train Army cadres and educate soldiers.

Organizationally speaking, the Army can heighten its sense of discipline only through the leadership of the proletarian political party, because the proletarian political party itself is, first of all, an organized organization. It has "iron discipline and organization." The iron discipline of the proletarian political party is a conscientious discipline. Those who observe the discipline have ideological consciousness based on their conviction in Marxism. An army led by such a party is inevitably a strictly organized and disciplined army. Of course, this does not mean that it is unnecessary to provide the proletarian Army with education in discipline and organization. On the contrary, a sense of discipline and organization based on consciousness can be pursued only through the education of the party.

As far as the role of violence is concerned, the proletarian Army occupies an important position and plays a great role in state power. It should be firmly controlled by the party. Marx pointed out: "The proletarian Army is the most important condition for the proletarian dictatorship." Lenin maintained that the Army is "something which constitutes the essence of the state." Mao Zedong regarded the Army as "an important component part of state power." The Army as a tool of class violence plays a great role in historical development. It

can play a destructive role and destroy a great part of the productive forces. It can also play a revolutionary role. A revolutionary social movement can draw support from the Army and use it as a tool to open up its own road. What role the Army as a tool of violence can actually play is determined by who controls it. If it is in the hands of the proletarian political party, it can play the revolutionary role of destroying the old regime and establishing the new state power, and promote historical development in conformation of the law of history.

What must we do to firmly foster the idea of the party's absolute leadership over the Army in the minds of our officers and men? In light of the ideological conditions of our Army, we should solve well the following problems on the basis of integrating theory with practice.

1. We should strengthen our conviction in party leadership. The CPC is the force at the core leading the Chinese revolution and construction. To persist in the party's absolute leadership over the Army, we should, first of all, strengthen our conviction in party leadership. We should believe that since our party could lead the people of the whole country to win victory in the democratic and socialist revolution, it can also further lead the people of the whole country to fulfill its set strategic objective of building socialism with Chinese characteristics. In the course of leading our revolution and construction, although our party committed some mistakes, it could rely on its own strength to correct these mistakes one after another. In particular, over the past 10 years or so since the implementation of the policy of reform and opening up, the party has made unprecedentedly tremendous achievements in leading our socialist modernization program. The revolutionization, modernization and regularization of our Army have been increasingly strengthened. This fully shows the correctness of party leadership. We should take a clear-cut stand to forcefully propagate the glorious history and great achievements of the party to further strengthen our conviction in the party, and link our hearts with that of the party.

2. We should be clear about the identity of party leadership and the relevant stipulations contained in our country's Constitution. Since the founding of the PRC, the Chinese People's Liberation Army has become the armed forces of the state. In accordance with the stipulations of our Constitution, the Central Military Commission is specially established to lead the armed forces of the whole country. This is particularly beneficial to making use of the power of the state to strengthen the building of the Army. It does not conflict, but completely conforms with our efforts to persist in the party's absolute leadership over the Army, because our party is a ruling party, and the Constitution defines the status of our party as a ruling party. The four cardinal principles are the foundation for building our country, and party leadership is the core. The CPC occupies a leading position in all affairs of the state, including our armed forces. In addition, the Central Military Commission of the party and the Central Military Commission of the state are the same organization. The Constitution clearly

defines the establishment of the Central Military Commission. Through this stipulation, the party's absolute leadership over the Army is actually legalized. This is more beneficial to persisting in party leadership, so that our Army can be built into a modernized and regularized revolutionary Army.

3. We should greatly strengthen political work in our Army. Political work is one of the marked characteristics differentiating our people's Army from other armies. It is also a real strong point of our Army. Under the new historical conditions, political work can only be strengthened rather than weakened. Only by strengthening political work can we constantly enhance the political quality of officers and men of the whole Army. Only thus can we always keep a clear head in the face of complicated struggles and ensure that our Army will consciously accept party command under whatever conditions and that it is always loyal to the party and socialism.

4. We should stick to a series of fundamental systems governing the party's absolute leadership over the Army. The formulation of these systems is an important guarantee for persisting in party leadership over the Army. A series of fundamental systems governing the party's absolute leadership over the Army are formed and developed during the long-term struggle of the Army, including division of labor and responsibility of leading cadres under the unified leadership of the party committee, democratic centralism, the establishment of the post of political commissar, political organs, and party branches in companies. We should continue all these under the new situation. At present, we should vigorously strengthen the building of grass-roots party branches, and turn them into a fighting force which is "healthy organizationally, perfect institutionally, and strong in leadership." When the party branches are firmly established, there is a reliable basis for ensuring the party's absolute leadership over the Army.

5. We should truly ensure that leadership power at all levels in the Army is in the hands of those who are loyal to the party and Marxism. Over the past several decades, the key reason why our Army could always be an army which obeys party leadership and commands is that Army leaders at all levels have always been loyal to the party and Marxism. This is an important organizational guarantee for persisting in the party's absolute leadership over the Army. Facts have proved that once a political line is defined, cadres are a decisive factor. As long as leadership power at all levels in the Army is in the hands of those who are loyal to our party, there will be a reliable guarantee for our socialist cause, the general situation of the state can be stabilized, and the "peaceful evolution" plots of hostile forces can definitely be foiled.

Editorial Hails Party's 70th Anniversary

HK1207060291 Beijing JIEFANGJUN BAO
in Chinese 1 Jul 91 p 1

[Editorial: "Clear Way To Forge Ahead Courageously: Marking 70th Anniversary of CPC Founding"]

[Text] Today is the 70th anniversary of the founding of the great CPC. The entire comrades of this Army join the entire people of all nationalities throughout the country in solemnly commemorating this brilliant festival with a feeling of immeasurable joy.

The founding of the CPC opened a new chapter in China's history. Practice has irrefutably proved that without the Communist Party, there would not have been a New China and that only with the CPC's leadership can there be the Chinese nation's rise and regeneration. This year is not only the 70th anniversary of the CPC's founding, but also the 140th anniversary of the Taiping Uprising and the 80th anniversary of the 1911 Revolution. Those are three major events of great significance in China's modern and contemporary history. They separately represent the brave struggles waged by the proletarian class, the peasant class, and the bourgeois class for national salvation and regeneration. Because the revolutions were led by classes with different natures, different political programs and different development paths were chosen. This led to completely historical outcomes. The Taiping Revolution, led by Hong Xiuquan, took egalitarianism as a panacea for all social problems. The uprising's army fought across 18 provinces and carried out hard struggle for 14 years. They dealt heavy blows at the reactionary role of the Qing Dynasty and the foreign aggressor forces, but they were finally suppressed bloodily by the feudal dynasty, and their ideal of building a "heavenly kingdom" also vanished like soap bubbles. The great 1911 Revolution, led by Sun Yat-sen, overthrew China's feudal monarchism that had lasted over 2,000 years. It was the prelude to China's national and democratic revolution. However, the 1911 Revolution did not change China's nature as a semifeudal and semicolonial society and did not realize the ideal of building an independent and democratic country. Instead, the fruits of the revolution were grabbed by feudal warlords supported by foreign imperialists. China remained a poor and weak country, and the Chinese people still lived in hunger and cold. In 1921, the CPC—the vanguard organization of our country's proletariat—was founded. This inaugurated China's communist movement, and brought light and hopes to the disaster-ridden Chinese people. Under the leadership of the proletarian revolutionaries represented by Comrade Mao Zedong, our party united and led the entire people of all nationalities throughout the country to fight bravely, with one stepping into the breach as another fell, and carry out hard struggle, and eventually fulfilled the task of the New Democratic Revolution by overthrowing the rule of imperialism, feudalism, and bureaucratic capitalism. This terminated China's history as a semifeudal and semicolonial society, eliminated the exploiting system and the exploiting classes, established the socialist system, and opened up the course of building socialism with Chinese characteristics. The most profound and greatest social changes in the past several thousand years were thus effected in our country. After experiencing the earth-shaking changes over the past 70 years, by looking back on the founding of the

CPC 70 years ago, we more deeply realize that it was indeed an epoch-making event of great significance in China's history. In those extraordinary 70 years, the universal truth of Marxism-Leninism was integrated with the concrete practice of China's revolution and construction. In this period, China succeeded in shaking off the darkness and poverty and moving toward a bright and prosperous future, and won victories one after another. The Chinese Communists have demonstrated, to the whole world with their scientific theories and their remarkable practice of social reform, that our party is a party that is armed with Marxism-Leninism-Mao Zedong Thought; a party that always maintains the independent and creative spirit in the revolution; a party that keeps close ties with the masses, fights selflessly, and has made the greatest sacrifices for the fundamental interests of the people; a party that is always ready to uphold truth and correct mistakes and can stand up to any tests, a party that can never be overpowered by any enemies and difficulties. So it is a great, glorious, and correct party to the letter.

This Army is a People's Army founded and nurtured by the CPC. Since the day the Army was founded in the bosom of the party, it has always been subject to the party's absolute leadership, has always been growing strong together with the party, and has always been faithfully fighting and shedding blood to implement the party's program and line. Over the past decades, under the leadership and command of such proletarian revolutionaries as Mao Zedong, Zhou Enlai, Liu Shaoqi, Zhu De, and Deng Xiaoping, this Army has taken Marxism-Leninism-Mao Zedong Thought as the fundamental guideline for the building of troops. With this powerful ideological weapon for understanding and transforming the world in our hands, we can always firmly maintain the correct political orientation. Under the guidance of the proletarian outlook on the world and on wars, we have summed up and developed a whole set of theories, principles, and guidelines for building the People's Army and fighting the people's wars and have also developed a whole set of strategies and tactics for defeating enemies and winning victory. This Army always takes the party's communist ideal as the struggle objective of the whole forces and keeps a firm conviction of it; and always maintains its proletarian nature, its death-defying spirit, and its spirit of strictly abiding by discipline; and being willing to make self-sacrifices, being selfless and altruistic, and being determined to vanquish all enemies and surmount all difficulties. This Army takes the party's principle of serving the people wholeheartedly as its sole purpose, and has formed inseparable blood-and-flesh ties with the masses. This is the source of this Army's unconquerable might. The party's political and ideological work forms the lifeline of this Army and guarantees that all of the commanders and men rally under the party's flag and the whole Army from top to bottom can always maintain a high degree of unity and centralization. When commemorating the 70th anniversary of the party's founding, our understanding and determination boil down to one point, that is, the People's Army will

always be faithful to the party and will firmly maintain the party's absolute leadership, which is the soul and cornerstone for the building of this Army.

We are now in an era full of challenges and hopes. In order to follow the party's basic line, to achieve the grand second-step strategic objective in our country's modernization construction, and to build a powerful socialist country with Chinese characteristics, we need to tread the new path with greater enthusiasm and plunge into new creations. This Army should constantly follow the guidance of Marxism-Leninism-Mao Zedong Thought, follow Comrade Deng Xiaoping's important thoughts and principles for building the Army in the new period, maintain the party's absolute leadership over the Army, and make efforts to build this Army into a modernized and regularized revolutionary Army and to better fulfill our historical mission given by the party and the state.

Strengthening political building is our Army's fine tradition, and is also a requirement of the present times. We are facing a changeable and eventful international situation and a domestic environment characterized by reform and opening up and by the development of the socialist planned commodity economy. In order to smash the peaceful evolution scheme of hostile domestic and foreign forces, to resist the corrosive influence of various erroneous thoughts, and to maintain this Army's proletarian nature, we must make great efforts to strengthen political building. We should use Marxism-Leninism-Mao Zedong Thought to arm the minds of cadres and soldiers, properly conduct education in the four cardinal principles and in the principle of maintain the party's absolute leadership over the Army, do a good job of routine ideological work, and effectively solve the fundamental issue that concerns people's political faith. We should concentrate on consolidating party organizations among the troops in accordance with the instructions of the central leadership and the Central Military Commission, and build party committees at various levels and grass-roots party branches into strong leadership cores in rallying the troops to fight. Only by grasping the fundamental link of strengthening political building can we guarantee that this Army will always be politically up to standard and the Armed Forces will always be commanded by reliable people faithful to the party, to the state, to the people, and to socialism.

To boost this Army's modernization, quality should be stressed. We should attach great importance to the development and application of science and technology. The Army's combat effectiveness includes both the human factor and the factor of weaponry. We affirm and stress that human beings remain the factor that decides the outcome of a war, but we can never, in the slightest degree, neglect the role of science and technology in modern warfare. We must go all out to develop military-oriented scientific research with a high sense of responsibility and urgency, and train more personnel with high political consciousness and also with knowledge about modern military science and technological know-how.

Modern armaments should be developed further, combined forces should be continuously strengthened, and the combat effectiveness of this Army under modern conditions should be continuously enhanced.

Comprehensively enhancing combat effectiveness is the starting point and aim of our troops' work in all fields. We should deeply implement the spirit of all important instructions of the party central leadership and the Central Military Commission on keeping to the standards for combat effectiveness and strengthening military training. We should arouse the enthusiasm of cadres and soldiers for mastering military techniques and being dedicated to national defense. Management rules and regulations should be strictly enforced. Through serious and strict education and training, our troops will really "be politically reliable and militarily competent and skillful, keep fine style in their behavior, have a strict sense of discipline, and ensure effective logistics support," and the level of this Army's revolutionization, modernization, and regularization will be raised continuously.

The epoch-making event 70 years ago has brought about earth-shaking changes in the past 70 years. Our party had only 13 delegates and more than 50 members at the beginning. It has now grown into a ruling party with more than 50 million members that is leading a large socialist country with more than 1.1 billion people. In both the aspect of the party's self-building and the aspect of understanding and grasping the regularity of socialist revolution and construction, the party has increasingly shifted from the realm of necessity to the realm of freedom. The Chinese people, who are working for the fulfillment of the second-step strategic objective in socialist modernization, firmly believe that in the coming years, no matter what changes occur in the world, as long as there is the party's leadership and the guidance of Marxism-Leninism-Mao Zedong Thought, our socialist position will become more solid and stronger, our construction and reform will achieve more brilliant results, our great wall of steel will be further reinforced and consolidated, and our great motherland will stand among the family of nations with a more magnificent posture. Let us more closely rally around the party central leadership, with Comrade Jiang Zemin as the core, and make further advances to win new victories under the guidance of the party's flag!

Army Efforts To Implement Jiang Zemin Speech

OW1107171491 Beijing XINHUA Domestic Service
in Chinese 0140 GMT 11 Jul 91

[Text] Beijing, 11 July (XINHUA)—After having carefully studied General Secretary Jiang Zemin's "1 July" speech for the last few days, vast numbers of Communists, officers, and men in the People's Liberation Army [PLA] have decided to thoroughly carry out education on the party's absolute leadership over the Army and to enhance further party building in the PLA in the new era.

Speaking on the development of China's space industry, Hu Shixiang, a satellite expert who took part in the

launching of China's first satellite, said: Under difficult economic conditions, China launched domestically produced satellites into space and carved a corner out of the global market for its own carrier rockets. This would have been impossible but for the Communist Party's leadership and the socialist system. Only by upholding the Communist Party's leadership and by adhering to the socialist path can our country be powerful, our nation revitalized, and our people prosperous.

Han Shengyan, a first-class pilot who heads the first wing of an air force unit, said: General Secretary Jiang Zemin's speech helps further heighten our awareness of the Army's role as a people's army under the party's absolute leadership. We must further enhance party building in the Army and ensure that all pilots, following the route guided by the party, will soar into the skies and assume the sacred mission of safeguarding the motherland's airspace.

Recalling moving memories of how the older generation of proletarian revolutionaries and Comrade Jiang Zemin have cared for the Eighth Company, Li Xiaoming, a political instructor of the "Good Eighth Company on Nanjing Road," was especially touched by the part of General Secretary Jiang's "1 July" speech dealing with the building of the Army. He said: The fact that the Eighth Company is able to maintain the true nature of a people's Army and to "resist corruption and never be contaminated with bad habits" is the result of officers and men constantly bearing in mind the party's instructions and obeying the party's direction. Upholding the party's absolute leadership over the Army is the basis for ensuring that the people's Army will never deteriorate; it is an aspect that we must never neglect.

Jia Junqing, an outstanding party member and a model head of a regiment under the Beijing Military Region, said: By reviewing the difficult course the party trudged down in the past 70 years in his speech, Comrade Jiang Zemin made us further realize that the revolutionary results were hard won. As a Communist, in the effort to correct party style and promote clean practices, I will play the role of a tree and a wall to stop unhealthy tendencies and to add glory to the party flag.

Zhao Yanqing, a "model in learning from Lei Feng" and political assistant of a unit under the Guangzhou Military Region, said: Comrade Jiang Zemin pointed out that in developing a socialist commodity economy, it is necessary to heed and apply the law of value and to stress exchange of equal values in economics. He added: But we must never apply principles of commodity exchange to party activities. His remarks are of great significance to every party member. Communists must overcome the "money-oriented" mentality, uphold the communist outlook on life and the world, adhere to the principle of serving the overwhelming majority of people wholeheartedly, and cultivate the concept of subordinating the interests of a small number of people to those of an entire community. They must be the first to bear hardships and the last to enjoy comforts.

The "red-banner company" of a unit under the Jinan Military Region was the pilot company where Chairman Mao personally conducted the experiment of "establishing party branches at the company level" during the "reorganization of Sanwan people's soldiers" 64 years ago. For the last few days, officers and men in the company have carefully studied Comrade Jiang Zemin's speech along with the histories of the company and the PLA and organized party members to discuss the speech over and over again. They have decided to carry on the glorious traditions of the company and, through action, contribute to the development of socialism with Chinese characteristics.

Army Publishes New Dictionary of Military Terms

OW1407111991 Beijing XINHUA Domestic Service
in Chinese 0658 GMT 12 Jul 91

[Text] Our Army's first large and comprehensive "Terms of Military Subjects" was released for the whole Army today.

With an indexing system for official documents, books, document files, and intelligence materials, the *Terms of Military Subjects* is a standardized dictionary of military terms for the military. It is also a basic automation project for our Army's office and commanding work. Not long ago, this project formally passed the experts' technical approval; its quality had reached the world's advanced level. In order to convert these major scientific and technological results into Army units' combat strength as soon as possible, the project, with approval from the Central Military Commission, was released to the whole Army in the name of the PLA [People's Liberation Army] General Staff Department, General Political Department, and General Logistics Department.

At the commendation and summation meeting to mark the release of the dictionary, which was held at the Academy of Military Sciences, relevant leaders from the PLA General Staff Department, the General Political Department, and the Logistics Department, called on all military departments to use the *Terms of Military Subjects* as the standard for terms indexing our Army's intelligence. They also called for the unified use of the *Terms of Military Subjects* in all work, and for voluntarily maintaining its rules and authoritative-ness. Finally, they called on all [departments] to gradually improve the management structure and system of the military subjects through the widespread use of this dictionary.

Air Force Conducts Regular Flight Training

HK1207073591 Beijing RENMIN RIBAO in Chinese
8 Jul 91 p 4

[By XINHUA correspondent Sun Maoqing (1327 5399 1987): "Chinese Air Force Conducts Regular Flying Training"]

[Text] Air force units conduct flying training on a regular basis and in accordance with laws and regulations, thus remarkably improving training quality and efficiency. At the on-the-spot meeting held a few days ago by the Air Force on carrying out regular flying training, Deputy Chief of

General Staff Han Huaizhi praised the Air Force for having probed and created a lot of valuable experiences for the whole Army in managing troops and conducting training in accordance with laws and regulations.

In recent years, the Air Force CPC Committee and Office have persisted in both enacting and enforcing the law. Last year, new rules and regulations on training were promulgated. To carry out regular training to the letter, the Air Force assembled commanders from various air divisions and the principals of flying colleges and schools to receive training on the training rules and regulations. The air units and troops under the command of various military districts organized five-level principal officers below the division level and airmen and support personnel to receive general training on training rules and regulations. In some air units, the Air Force set up unified and regular teaching rooms complete with modern electrical audio-visual aids, training data rooms, flight-simulation rooms, libraries for military books and materials, physical training rooms, as well as parade grounds for training.

A gratifying scene has emerged from the Air Force's drive to achieve regularity, in which training is conducted in accordance with laws and regulations. Now, 91 percent of the Air Force's air regiments have an average B or above in attacking, intercepting, and live bombing exercises. The whole Air Force has hit a record high of accident-free flying for 205 days running and it has reached the world advanced level in terms of the incidence of serious flight accidents for every 10,000 hours flying.

PLA Provides Relief Materials to Flood Victims

OW1007224891 Beijing XINHUA Domestic Service
in Chinese 0557 GMT 10 Jul 91

[Text] Beijing, 10 July (XINHUA)—The Central Military Commission and the People's Liberation Army [PLA] General Staff, Political, and Logistics Departments, showing solicitude for flood victims, have allotted large amounts of relief materials to the disaster areas. The three general departments have also sent messages expressing sympathy to Anhui, Jiangsu, and Henan Provinces.

On 29 June, Jiang Zemin, chairman of the Central Military Commission, issued important instructions on the Army's participation in fighting floods and dealing with emergencies. In the evening, the three general departments promptly issued a circular to all Army units, conveying regards from Military Commission Chairman Jiang Zemin and Vice Chairmen Yang Shangkun and Liu Huaqing to flood victims, and urging Army leaders at all levels to regard dispatching troops to assist local people in their fight against flood as the Army's bounded duty and make ample manpower and material preparations for the dispatch at anytime. Meanwhile, the circular also called on cadres at all levels and the large number of Communist Party members to share weal and woe with the masses of people and play an exemplary vanguard role in fighting flooding. So far, the

PLA has already dispatched 500,000 men and 6,000 vehicles and boats. They have performed meritorious services in rescuing flood victims and protecting the property of the people. Moreover, Yang Baibing, secretary general of the Military Commission, has explicitly stated: The Army should assist the disaster areas not only in terms of manpower but also materials. To this end, the general departments dispatched special personnel to the State Flood Control Headquarters to obtain firsthand information about the disaster situation. With the approval of the leaders of the Military Commission, the PLA General Departments decided to deliver to Anhui 1,000 tents, 60,000 quilt sets, and 300,000 yuan's worth of medicine, with a value of 2 million yuan; and to Jiangsu and Henan each 20,000 quilt sets and 200,000 yuan medicine, with a value of 500,000 yuan. In addition, three 15-member medical teams have been sent to more seriously afflicted areas to provide treatment to victims. Meantime, the three general departments also sent messages expressing sympathy to Anhui, Jiangsu, and Henan Provinces.

Earlier, when a flood struck some areas of Beijing, the PLA also promptly dispatched troops to help deal with emergencies. Leaders of the three general departments called on the Beijing Municipal Party Committee and Municipal Government to express solicitude and donate 200,000 yuan cash and 210,000 yuan's worth of materials.

Aerospace Ministry Expands Civilian Production

HK0307032691 Beijing CHINA DAILY in English
3 Jul 91 p 2

[By Zhu Ling]

[Text] China's missile and military aircraft factories are embarking on a four-pronged programme to expand commercial production.

The globally oriented programme involves starting more equity joint ventures; boosting overseas sales; launching new ranges of commercial products for research and production with similar international companies; and speeding up information flow between local factories and the outside world, according to the Ministry of Aero-Space Industry.

The programme is seen as the military's latest move to accelerate conversion from a mainly defence orientation to an integration of civilian and military production.

A senior official of the ministry's China Aero-Space Civil Products Corporation revealed yesterday that a number of multi-million dollar Sino-foreign equity joint ventures are being negotiated and some are nearing conclusion. The Beijing-based corporation, the largest military conglomerate in China, was inaugurated late last year to push for civilian production.

Projects include a joint venture firm to produce motorcycles with a Thai company; joint manufacturing of

mini-cars and tourist vans with Japanese companies; and a possible project to produce automobile spare parts with a South Korean firm.

Though declining to give more details of the on-going negotiations, Luo Yiji, the corporation's assistant president, said: "We expect to launch more joint ventures with foreign firms mainly to produce spare parts for automobiles and airplanes, and there is a great international market for those products."

China's aerospace industry launched its massive drive to shift part of its capacity to production for the civilian sector in 1984, when the country moved to streamline its army, causing military orders to nose dive.

Now, the industry's output of all civil products makes up 75 percent of its total annual output value. Its 800,000 staff are turning out more than 7,000 civilian products, ranging from passenger aircraft and communications satellites to electronic watches and battery-powered toothbrushes.

"We are keen to rapidly increase our share in the overseas market with top-quality and exclusive civilian products, and we have a goal of exporting \$400 million worth of products this year.

"This is not a small figure as compared with our total export value of \$100 million in 1989," Luo said.

The industry has mapped out a blueprint for manufacturing priority products for the next five years.

They include automobile spare parts, mini-cars, tourist vans, motor-cycles, household electronic goods, digitally-controlled equipment, communications satellites, industrial robots, and telex machines.

Economists say that the aero-space industry's shift from the military sector to the civilian is still in a very early stage. The product mix needs to be further rationalized and more effort should be made to tackle problems of quality and variety.

As many of the industry's factories are located in the country's inland areas, the industry established the China Yong-Lin Technology and Economic Development Corporation early this year to help speed information flow between them and foreign firms.

"We intend to be a window on the outside world for our factories and a bridge for foreign firms to enter the Chinese market," said Li Yinhuan, the corporation's general manager.

Reliability Research Improves Naval Maintenance

*HK1007071691 Beijing RENMIN RIBAO in Chinese
6 Jul 91 p 3*

[By Shi Changxue (2457 2490 1331) and Wang Helin (3076 7729 2651): "Navy Has Made Marked Improvement in Its Ability To Maintain, Repair Equipment by Means of Technology"]

[Text] A profound change has taken place in the Chinese Navy's ability to use technology for the maintenance and repair of naval vessels. It can now conduct reliability research, which has brought about marked improvement in its ability to maintain and repair naval equipment by means of technology.

Following naval equipment system reform during the Seventh Five-Year Plan, the Navy began to rely on science and technology in maintaining and repairing naval vessels. The theory on the reliability of comprehensive modern science was popularized for the maintenance and repair of naval vessels. During the Seventh Five-Year Plan, the Navy made 1,500 kinds of scientific and technological achievements in its reliability research. The application of these achievements has brought about an in-depth change in the maintenance and repair of naval vessels, and a leap toward modernization in policymaking patterns, maintenance methods, maintenance skills, maintenance materials, and workmanship. A "naval vessels maintenance policy-making system," with automation and intellectualization as the core of reliability research, has replaced experience-based policymaking. Some major reliability research achievements including "theoretical proofing of naval length of service" have facilitated the formulation of 150 maintenance ordinances and standards. Corrosion-resistant, dirt-resistant, noise-proof, rust-proof, and anti-magnetic materials manufactured according to reliability research have helped improve maintenance quality and reduce work intensity and are thus well received by officers and men.

The popularization and application of these achievements have also produced better economic results for the Navy. Take the repair of destroyers as an example. The time and expenditure for repair have dropped by 30 percent. After a comprehensive repair, a speed boat's main engine can last twice as long and raise the boat's voyage rate [zai hang lu 0961 5300 3764] by 28 percent. A sample survey on 150 research achievements indicates that the application of these achievements has created a direct economic value of 150 million yuan.

Liu Zhengwei on Guizhou's Military Production

*HK0907070491 Guiyang Guizhou People's Radio
Network in Mandarin 2200 GMT 3 Jul 91*

[Text] At a meeting to mark the 20th founding anniversary of the air force representative offices in Guiyang, provincial party committee Secretary Liu Zhengwei hoped that officers and men of the air force units stationed in Guizhou would continue to strike roots in the mountain areas of Guizhou, keep their minds on the construction of enterprises in remote regions away from coastal areas, and make fresh contributions to modernizing the Army.

Liu Zhengwei said: Building military industrial enterprises in Guizhou was a wise decision made by Chairman Mao during his life-time in light of the situation at home and abroad at that time. Over the last 20

years the broad masses of workers in military industrial enterprises, displaying the spirit of building up the country through arduous efforts and pooling their efforts and collective wisdom, have developed a number of products which have attained advanced domestic and world levels. Military representatives stationed in the military industrial enterprises strictly examine every item of production with a strong sense of responsibility, bearing in mind the mission they shoulder, and help the enterprises solve various difficulties encountered in production and scientific research so that the enterprises were able to splendidly accomplish various tasks set by the higher authorities, and make special and important contributions to China's economic construction and modernization of the Army.

Liu Zhengwei continued: Internationally and historically, Chairman Mao's decision to build military industrial enterprises in Guizhou is undoubtedly correct.

Liu Zhengwei stressed: In engaging in military industrial production, we must give top priority to quality. He hoped military representatives stationed in military industrial enterprises would improve their supervision and control of production to make sure that every item for military use is up to standard. He also hoped that military representatives would help strengthen party building. For the present they should organize officers and men to study Jiang Zemin's speech made at the rally to mark the CPC's 70th founding anniversary, and accomplish the various tasks for army building listed by Jiang Zemin, so that the Army will be politically reliable, militarily competent, highly disciplined, have a fine work style, and provide effective protection, hence pushing army building to a new high.

Jinan Military Region Holds Plenary Session

SK1107052891 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 10 Jul 91

[Text] The plenary session of the party committee of the Jinan Military Region was held in Jinan from 6 to 9 July. It was pointed out at the session that party committees at all levels of the military region should make conscientious efforts to improve their leadership style and carry out their work in a down-to-earth manner.

Attending the session were Standing Committee members of the party committee of the Jinan Military Region, including Song Qingwei, Zhang Wannian, Zhang Zhijian, Yan Zhuo, Cai Renshan, Yang Guoping, Jiang Futang, and Hao Baoqing. During the four-day session, participating comrades earnestly studied Comrade Jiang Zemin's speech given at the rally celebrating the 70th anniversary of the founding of the party and Comrade Yang Baibing's speech given at the all-Army high-ranking cadres' rotational training class on party building theories. On behalf of the Standing Committee of the party committee of the military region, Comrade Song Qingwei gave a report entitled "Clearly Understand the Situation, Improve Work Styles, and Make Great Efforts to Carry Out the Work in Various Fields."

Song Qingwei said: The military region achieved fairly notable achievements and progress in army building in the first half of this year, its work in various fields proceeded smoothly and its army building as a whole was characterized by coordinated development and steady progress.

Speaking on ways to make great efforts to successfully carry out the work for the second half of this year, Song Qingwei pointed out: Improving leadership style and carrying out work in a down-to-earth manner is an important task for us. Party committees and leading cadres at all levels must take the overall situation into account, discuss major work and remain clear-headed. They must persist in the purpose of serving the people wholeheartedly and successfully carry out their leadership work with a highly responsible spirit. They should adhere to the principle of building up the quality of the Army and strive to improve the military and political qualities of the Army. They should keep construction in sight and dedicate themselves to the basic work of laying a solid foundation. They should persist in their high standards and carry out the work in various fields in a down-to-earth manner. Through the concerted efforts on all levels, we should achieve a new improvement in our leadership style and great development in the work in various fields and in the army building of the military region.

Comrade Zhang Wannian spoke at the end of the session. He said: We should place the work to keep the Army stable above everything else, make great efforts to improve the political quality of the Army and always remain clear-headed and keep to the correct orientation amid complicated political struggles.

He said: Whether or not we have foresight and maintain continuity in our work is an important criterion to judge whether or not leadership is capable of overall control. Aiming at boosting the people's enthusiasm, we should create an atmosphere in which people are vigorous in learning from and catching up with those who are advanced. We should take down-to-earth performance of work as the criterion for judging our work. When we undertake a job, we must carry it out in a down-to-earth manner. Our achievements are evaluated based on our performance. No matter how beautifully we describe our work and how successfully we summarize our experiences, it is of little use if we do not carry it out in a down-to-earth manner.

During the session, the major leading comrades of the Jinan Military Region also signed letters of responsibility for family planning with the top military and political leaders of the major units.

Jinan Military Commends Units, Officers

SK1107124891 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 10 Jul 91

[Text] The Air Force of the Jinan Military Region held a commendation rally on 8 July to give a collective second-class merit citation to six grass-roots pacesetting units for

outstanding contributions and a third-class merit citation to four grass-roots officers and to commend four regimental-level units for outstanding results in the construction of grass-roots units. Lin Jigui, commander, and Yang Hanwen, political commissar of the Air Force of the Jinan Military Region, attended the rally and issued silk banners and commendatory certificates to the advanced units and personnel.

Economic & Agricultural

Bo Yibo Views Planned Commodity Economy

HK0907065691 Hong Kong CHING CHI TAO
PAO in Chinese No 26, 1 Jul 91 p 11

[Article from "China Economic News" Column: "Bo Yibo on Issues of Planned Commodity Economy"]

[Text] At an Association of Industrial Economics meeting held some time ago, Bo Yibo, vice chairman of the Central Advisory Commission, expounded on planned commodity economy issues. He said: What are the issues of planned commodity economy? They can only be solved in practical work. Industrial products (except for a small number which should be placed under state control) must be placed in the circulation field. This makes it necessary to do the following: First, it is necessary to understand domestic and overseas market information every day. Second, the price level must conform to the actual situation. This price level does not remain unchanged. Prices should not be determined by subjective will but by the law of value. Third, the wage system must be compatible with prices. Fourth, it is necessary to create conditions for state-owned large and medium enterprises to compete with other types of enterprises on an equal basis. Five, banks should have the status and power to act relatively independently in accordance with objective economic law. The aforesaid measures look capitalistic but actually they are not. They are needed to develop productive forces at the present stage and we should carry them out more satisfactorily under socialism. If we depart from them, we are not carrying out reform and opening up, nor are we in a position to talk about reform.

Article Cautions on Market Situation Optimism

HK1107040291 Beijing JINGJI CANKAO
BAO in Chinese 19 Jun 91 p 4

[Article by Zhu Mingchun (2612 2494 2504) from Macroscopic Regulation Department of State Council's Development Research Center: "Refrain From Being Too Optimistic About Current Market Situation"]

[Text] Through about two years of improvement efforts, the sluggishness in the market has been alleviated to a great extent. From January to April this year, the country's total volume of retail sales amounted to more than 300 billion yuan, an increase of 13.9 percent over the same period last year. In terms of the development trend, it has increased on

the whole, month after month. In view of this situation, some people are bullish about the market situation and even contend that the market situation has normalized and sluggishness has been eradicated. Nevertheless, as I see it, at present we can only say that the market's sluggishness in terms of total quantity has been basically eliminated, but that the market's sluggishness in structural terms has not shown significant improvement. In the present circumstances, it is harmful to overestimate the market situation.

First, we should make an overall analysis of the market's recovery. In dynamic terms, the market recovered at a quicker rate than the corresponding period a year ago. However, in chain [huan bi 3883 3024] terms, even by calculating with seasonal factors taken into account, the recovery fell short of what was required. In market structural terms, the consumer goods market picked up fairly rapidly. Nevertheless, according to an analysis of 630 major commodities carried out by the Minister of Commerce, the percentage of commodities whose supply fell short of demand was 17.3 percent, or a drop of nearly 20 percentage points from the same period last year; commodities whose supply and demand were roughly balanced was 60.3 percent or an increase of 11.3 percentage points; and that of commodities whose supply exceeded demand was 22.4 percent or a gain of 8.4 percentage points. For the aforesaid major commodities, proportion in the last two categories was as high as 80 percent or more. Although the sluggishness of the market has eased, institutional sluggishness has become more serious. In the capital goods market demand in the first quarter this year surpassed production volume by about 2 percent. A situation in which supply had exceeded demand for two years running was put to an end for the first time. The volume of 22 major goods kept in stock dropped 2.5 percent from the beginning of this year. The situation is taking a favorable turn. However, compared with the corresponding period at the same time last year, goods kept in stock still increased by 4.5 percent. Another characteristic is that while users' goods in stock are declining, production units' finished products in stock are still on the rise. While carrying out production, enterprises still have to keep their products in stock. The process of market recovery has not yet entered the production field.

Second and more importantly, we should combine analysis of the market situation with that of the production situation and approach matters from the angle of the whole economic circle. Although whether or not the market is sluggish is directly decided by such demand factors as consumption and investment, this approach can only be related to production. If a benign circle cannot be ensured in production, one cannot say the market has returned to normal. At the end of 1989 production was in a period of decline, sluggishness in the market was very obvious, and the total volume of retail sales and other indexes were in a state of negative growth. Currently, production is in a period of recovery. The sluggish market finds expression in a certain "antikinesis" phenomenon of economic operation rather than

in the direct absolute decline or negative growth of market sales, that is, the growth of industrial production exceeds that of product sales; the growth of circulating funds exceeds that of industrial production; and overstocking remains extremely serious. By the end of April this year, the funds required by industrial enterprises within the state budget to turn out products, had accumulated to over 130 billion yuan. Moreover, the amount was still on the rise. Even in Guangdong Province, which is relatively strong in economic adaptability and whose economy has recovered fairly rapidly, the proportion of goods kept in stock by industrial enterprises within the state budget in the province's industrial output value is still over 40 percent, far higher than the sensible level of 20-25 percent. This shows that the huge social inventory has, on the whole, swollen rather than "deflated." Against this background, if we say the market has normalized, the argument is pitiable. It must be said that the basic indicator to determine if sluggishness has been removed from the market, and if the market is operating normally is whether or not society's physical inventory has returned to normal on the whole.

Then does this mean that we should further boost social demand on a large scale so that market sales can keep pace with production growth? No, it does not. True, the present sluggish market was caused by the efforts made in the initial stage of economic improvement and rectification to drastically curtail investment in fixed assets, but structural elements played a very big role in the situation in which sluggishness rapidly expanded from the capital goods market to the consumer goods market and all other markets. Currently, with an increase in investment and a corresponding economic recovery, the market's sluggishness in terms of total quantity has been basically eradicated, and thus the market's sluggishness in structural terms will undoubtedly occupy a dominant position. Improving the product mix is where the crux lies in ultimately solving the market's sluggishness once and for all. In the initial stage of a sluggish market and in the course of generating the market, to safeguard social stability and prevent production from declining excessively, a method of expanding overall demand by extension has been used. This also holds true for the three principles governing market stimulation. Little progress has been made in readjusting structures, in particular, the production capability and resources disposition structures. Just because of this, our economic upturn was characterized by production and investment generating the market, not by the latter generating the former, as in a normal economic recovery. This has delayed the thorough solution of sluggishness in the market, bringing about a greater danger of overexpanded overall demand. This is precisely the reason why the deep-rooted contradictions could not be solved while generating production. Now, if we fail to face the structural contradictions squarely, and continue to strive to expand market demand in a one-sided manner we will lose once again an opportunity to solve the problem.

The key to solving market sluggishness in structural terms lies in making production adaptable to the market, not the

reverse. It is necessary to willingly readjust the product mix and the industrial structure according to the market's requirements. We should be resolute in rationalizing the structure, because this is bound to touch on the readjustment of the interest pattern. Moreover, though overall quantity contraction involves equal risks, the superiority of structural rationalization is shown through market competition. When market demand and social resources are limited, only when the production of certain products is suspended can the production of other products be ensured. The reason is very simple. When the production of unmarketable products which fail to form effective supply is suspended, and the supply of marketable products in the market increases, the problem of overstocking can be naturally solved and the so-called sluggish market in which supply exceeds demand cannot possibly exist. To solve this problem, at present we should start with two things—the product mix and the industrial structure. As far as the product mix is concerned, existing goods irrationally kept in stock should be sold at reduced prices. We should make full use of price, this most basic of market mechanisms. In regard to the industrial structure, necessary readjustments should be made in production capability and resources disposition. In doing so, we should start by optimizing enterprises' organizational structures, let enterprises excel themselves through market competition, and allow some enterprises to close down and go bankrupt on condition that social security is provided as far as possible. We should not delay such readjustments anymore, and practice has proved that we have no other choice in this regard. Two points are worth emphatically pointing out. First, it is true that the practice of selecting the superior and eliminating the inferior needs the support of social security, but under present conditions we cannot start to pursue the practice until social security is thoroughly perfect. Moreover, when it comes to social security, we should practice an insurance mechanism to share risks and refrain from relying exclusively on financial departments for money. Second, who will carry out structural readjustment? Stress should be laid on a full combination of government administration and market guidance. Before the problems of financial contracting, and the rationalization of interest distribution are effectively solved, it is unreliable to pin our hopes on the farsightedness of a leader at a certain level or a certain government. Relying on government lacks the motivating force to make structural readjustments, and at the same time government has another difficulty making structural readjustments. In other words, government will find it difficult to discover a frame of reference for a rational industrial structure. Moreover, relying on the market to make structural readjustments is also a fruitless approach under present conditions in which the market is not fully developed and the price system is irrational. Therefore, the two should be combined, with each complementing the other. In my opinion, this combination can be carried out on a trade basis. As far as different industries are concerned, basic industries should be appropriately protected. In the internal departments of a trade, competition should be introduced in accordance with market laws so that the inferior will be eliminated.

Articles View Current Economic Situation

'Turn for the Better'

HK1207022091 Beijing JINGJI RIBAO in Chinese

18 Jun 91 p 1, 2

[Article by staff reporter Tian Ruzhu (3944 1172 2691):
"Talk on Current Economic Situation"]

[Text] Six months have passed since 1991 began. Though some signs of recovery could be faintly seen in the national economy's operation during this period, a series of unfavorable factors failed to be eliminated. The interweave of "good" and "bad" factors has dimmed the current economic situation, making it seem shrouded in mist. What evaluation can we give the current economic situation then?

Taking a Turn for the Better

The national industrial production growth rate between last January and May stood at 13.3 percent, which has a significant bearing on the growth rates with sudden ups and downs in previous years. As we all know, the fluctuations in China's economic development in previous years were mainly attributable to a sudden swell in consumption demand, which made investment demand expand to such an extent that it upset the balance among industries built on the original low-level basis. Although production (mainly of processing industries) shot up, supplies of resources remained extremely inadequate. In addition, an irrational disposition of resources, neglect of quality and variety of products, and blind expectations on the market all led to a huge waste of resources, an overstocking of manufactured goods and products, and serious inflation. As a result of the state's austerity policy, restriction of resources, and enterprises' irrational management activities, the production rate slowed down and demand shrank abruptly. In turn, the insufficient demand restricted the development of production. Stagnancy is undoubtedly followed by overheating. Though the state used this opportunity to readjust various proportional relations, in the end, it had to relax its retrenchment measures, and even took pains to "reactivate" the economy by expanding demands and inputs, thus giving rise to another overheating. This phenomenon, in which stagnancy and overheating constantly replace each other, has seriously hindered the development of productive forces. Under such circumstances, this year's average growth rate of "13.3 percent," a fairly appropriate figure which has a bearing on both total demand and supply, has a self-evident significance.

Having gone through industrial structural readjustment in recent years and economic improvement and rectification in the past two years, China's basic industries have been strengthened to some extent, and the supply of resources has been relatively reinforced. Due to the lagging effect of a sluggish market during the later stage of the previous economic cycle, however, total social demand is still insufficient as a whole. Since the beginning of this year, total social demand has been picking up

at a faster pace. According to available statistics, the total investment in fixed assets by units under the ownership of the whole people has increased 13.8 percent, and the total amount of wages of workers and staff members increased 15.7 percent. Among various bank loans, investment in fixed assets has risen, while interest rates fell. All these factors have played an important role in bringing about an economic recovery. In addition, the market of consumer goods is also developing in a direction favorable to the development of production. During the period from last January to April, the total retail prices of commodities rose 13.9 percent, equalling the growth rates in the same period of 1987 and 1988. With the addition of increased seasonal inputs in rural production and smooth progress in foreign trade, total demand is picking up, indicating the beginning of a new development phase.

Confronting a Grim Situation

Objectively speaking, many unfavorable factors still exist in our current economic work. Failure to solve certain problems may indicate that we have achieved a low, or even no, efficiency in our work. The knottiest problem for the time being is that no improvement has appeared in our poor economic efficiency for a long time. Although it is constantly stimulated by a series of external factors, such as production growth, a more active market, and greater investment, the thermometer of economic efficiency remains unmoved. On the whole, it even continues on a downward trend. According to various economic efficiency indexes of budgeted industries between last January and April, issued by the State Statistics Bureau, though a slight growth of 7.1 percent has been achieved in all-personnel industrial labor productivity, cost of goods manufactured has risen 5.4 percent. The rate of sales profit and tax went down 6 percent, of which sales profit rate fell 42 percent from last year's low level, with as wide a loss percentage as 34.5 percent. With a 33.8-percent drop in their profits from the same period last year, enterprises are plagued by 130.7 billion yuan of expenses occupied by overstocked products and finished goods, 16 billion yuan more than at the beginning of this year and up 22.6 percent over the same period last year. The growth range of overstocking has even exceeded that of production.

What is more, the drop in economic efficiency has also created serious problems for enterprises in paying funds needed in production. The total amount of "triangle debts" is expanding and a "credit crisis" exists in many enterprises. All these have not only realistically and psychologically placed obstacles in the value realization of products, but also forced enterprises to raise loans from nongovernmental sectors. As a result, with a sharp increase in their interest expenses, enterprises are unable to extricate themselves from a nonvirtuous circle [fei liang xing xun huan 7236 5328 1840 1789 3883]. They are also plagued by the situation wherein they are either unable to sell their products, or collect payment on the products they have sold. Such a situation has pushed responsible persons of many enterprises into a large

contingent of people demanding the payment of debts, who are kept constantly on the run for funds. Once management over production links is slackened, you cannot begin to talk about "simultaneously producing, researching, and developing one generation of products." Under these circumstances, even if the market returns to its normal state one day, it is only a dream to enhance economic efficiency if we depend on these unqualified enterprises, or put into the market products of poor quality and variety—not to mention the serious deficiencies currently existing in enterprises' organizational structures.

Keeping Market Rules Firmly in Mind

Currently, China is making great efforts to cultivate and perfect an economic system which integrates the planned economy with market regulation. To this end, adherence to the economic law and market rules is a necessary condition for doing a good job of economic work. Having suffered from unstable economic development in previous years, we must make conscientious studies of, and use for reference, experience drawn from past practices.

At present, the economic circles are making a strong demand on the state, suggesting the state continue to expand total demand to guide the economy to enter a normal cycle. A basic balance should be maintained between total supply and demand as a whole in accordance with market rules. If total demand is the demand for essential products, the method of expanding demand can indeed serve the purpose of increasing supply. In doing so, however, we have to take risks: Once the expansion of demand goes beyond a reasonable limit, the balance will be upset and the appropriate order of total supply disrupted, thus giving rise to an economic recession. In determining a reasonable limit, we should try to be practical and realistic, and base our efforts on relevant historical information and statistics in light of our national conditions. We should refrain ourselves from being swayed by our emotions. In fact, under China's present economic structure, it is not difficult to ensure a growth in speed. What is difficult is to slow down a high speed, and link speed with economic efficiency. Moreover, the expansion of total demand needs financial support to a certain extent. Judging from China's current financial income and expenditure, conditions for a large-scale expansion of total demand are not yet mature. On the other hand, since China has a weak monetary guarantee system, if newly added demand cannot be transformed into a demand for essential products, it may be transformed into factors leading to price rises on an equal footing. We can by no means neglect the possibility of inflation. One issue of top priority in our current economic work is to avoid low-level repetitions in economic operations.

From a micro point of view, when talking about issues concerning the invigoration of enterprises, we should also take into consideration the market factor, and enable enterprises to face up to tests of the market. In establishing macroeconomic goals and formulating the policy of national income distribution, as well as policies

on industry, taxation, finance, investment, and consumption, we should first take into account this "final receiver of all aforementioned policies." Ever since last year, the state has repeatedly called for efforts to enhance the vitality of large and medium enterprises, press forward the enterprises' structural readjustment, and optimize resources disposition. On 29 May, the State Council issued the "Circular on Further Strengthening the Vitality of Large and Medium State-Owned Enterprises," calling on all localities, departments, and enterprises to strengthen enterprises' internal management and external environment. However, in the final analysis, the development and reasonable existence of enterprises not only depend on market selection, but are also subordinate to the iron rule of choosing the superior and eliminating the inferior. While vigorously organizing production and sales, enterprises should also devote efforts to technological progress and scientific management, cultivating their capacity of accepting the market, and to enhancing their quality. Only thus can enterprises survive and bring about a growth in economic efficiency.

We can draw a conclusion from various phenomena in the economic operation during the past five months and more: Basically, the current economic development is a balanced one, and an overall economic recovery can be expected in the near future. However, we need to overcome many difficulties in order to achieve greater development. In the coming half year, while trying to bring about a rebound to the market, we should lose no time in enhancing economic efficiency and pushing the national economic cycle to a higher level. This is because that, after all, our goals aim at bringing about not only an "economic recovery," but also a long-term, sustained, and stable economic development.

Economist Interviewed

HK1207084191 Hong Kong LIAOWANG
OVERSEAS EDITION in Chinese No 26, 1 Jul 91
pp 6, 7

[Article by Lang Jingjing (Lang 6745, Jing, left radical nu 1166 plus qing 7230, jing, the same as second character) and Li Yongsheng (2621 3057 3932): Observations on Current Economic Situation: Interview With Economist Yang Peixin"]

[Text] How should we regard the current steady recovery of China's economic situation? What is the crux hidden under the main aspect of a healthy trend? What problems urgently await solution to maintain a good development momentum in China's economy? These are questions of universal concern to the masses. To get answers to the above questions, this reporter visited and interviewed the renowned economist Mr. Yang Peixin.

The Economy Operates Smoothly While Deep Contradictions Still Exist

It is necessary to fully affirm the current economic development trend. Yang Peixin thinks that since the adjustment policies were implemented, a sluggish

market and declining industrial production have emerged in the economy. After efforts for more than a year, there has been a rebound momentum: A bumper harvest has been reaped in agriculture, prices have tended to be stable, and industrial production has grown gradually. Statistics for the first four months of this year indicate that China's national economy continues to develop in a good direction and some major targets have reached or are approaching the levels of the corresponding period in a normal year. From January to April, the total industrial production value and total market sales increased by 13.2 and 13.9 percent, respectively, compared with the same period last year. After the prices of grains and edible oil supplied by the state were adjusted upward, prices in grain markets had only slight fluctuations. Foreign trade keeps on rising. The total import and export value in April reached \$10.49 billion, an increase of 15.1 percent over the same period last year, and trade volumes in import and export have gradually balanced. The conditions in international payments and foreign exchange reserves have further improved. Financial revenue and expenditure, bank credits, note issuance, and so on, are relatively normal. However, there still exist a series of deep contradictions in the national economy, such as expanding credit, increased numbers of loss making enterprises, increased financial deficits, and the rebound of inflation.

Yang Peixin said that since 1991, industrial production has been operating well, owing to a relatively relaxed basic conditions. But, unsatisfactorily, production recovery is mainly generated by circulating capital loans. Last year, bank loans to industrial enterprises increased by 101.9 billion yuan and the volume of bank loans in circulating capital and fixed assets increased by 253.5 billion yuan. In production recovery: Phenomena indicating extreme imbalances have appeared, state and collective enterprises have picked up comparatively slowly, and individual businesses and the three kinds of enterprises partly or wholly foreign-owned have had faster growth rates; the economy in the coastal areas has developed rapidly, while industry in the northeastern region only gained 0.6 percent because heavy industry and state enterprises account for a greater number in the region. Yang Peixin was worried about the serious stockpiles of products in industrial enterprises and the declining enterprise economic results. He said that in the first four months of this year, the inventory of products in industrial enterprises in the whole society continued to increase and the numbers of loss making enterprises remained high, causing great difficulties to expanded reproduction.

In marketing, Yang Peixin thinks that China's economy has not yet completely broken through the shadow of a sluggish market. During this year's Spring Festival, retail sales of social commodities increased by 26 percent and by 16.7 percent in April. Even though the retail sales of commodities and the market for the means of production grew in a sustained way and by larger margins, this included such factors as "celebrating the New Year at public expense," practised by units of government functionaries and enterprise workers and staff members, and

the nationwide price adjustment of grains and edible oil. The rise in the prices of the means of production and institutional purchasing power also served to conceal the sluggish market to a certain extent.

Although there are deep problems as stated above, Yang Peixin optimistically pointed out that a favorable momentum had emerged in economic development. Last year, light industrial production was basically guided by the market and its recovery surpassed that of heavy industry. This indicates that, with the markets as a medium, the proportional relations within industries are being gradually straightened out through structural adjustment. The pickup in production means the market is beneficial in raising the production capacity of heavy industry. This will facilitate the economy to shake off the restraint of "loans-production-overstocking." However, this tendency still has to be developed and consolidated.

Cause of Sluggish Markets

Yang Peixin probed into the cause of the sluggish markets, thinking that they result from insufficient demand for consumption and investment.

In recent years, great changes have taken place in the consumer concept of all strata in society. Over the years, the actual income of government employees, teachers, enterprise workers, staff members, and peasants have dropped to some extent due to price raises in previous years. This has produced the mentality of "pessimism over expected income" and "expected increase in expenditure" in people's minds. China's reform is in the ascendant and reform measures concerning people's vital interests in education, medical treatment, housing, and insurance, have been introduced unceasingly. This indicates that the commodity economic mechanism has gradually expanded to the area of individual life. The structure of "one big rice pot" guaranteed by the state, including the practice of free education, medical treatment, and housing, will be gradually changed and the scope of everything undertaken by the state will be slowly reduced. "Retaining something for the future and having oneself insured" will become a prevailing practice. The proportion of savings from people's monetary income has rapidly grown. Last year, savings increased by 180 billion yuan, the total amount exceeding 700 billion yuan. At present, blind optimism no longer exists over economic development, as shown by the practice of spending money as soon as it is earned and going all out to make and spend money. Neither does the phenomena of panic purchasing, buying earlier rather than later, preferring buying things to saving money, and so on, during price rises. The slight decline in purchasing power and the rapid pickup of industrial production have become important causes of the sluggish market. Yang Peixin feels gratified that people have begun to realize that economic development can only be carried out in a down-to-earth manner, that living standards can only be raised step by step, and that purchasing power can only be enhanced gradually.

Expanded Reproduction Should Be Kept in View

According to Yang Peixin, along with our vigilance against the damage to economic development by expanding investment, we must exercise sound judgment of scale and maintain an appropriate amount of investment in order to attain steady growth. Since the reform, the productive forces in heavy industry have developed greatly and are capable of sustaining approximately 10-percent annual growth rates in investment. However, since 1988, reduction of investment has caused some productive forces to lay idle and the demand from the light and textile industries for the raw and semifinished materials supplied by heavy industry, has reduced a great deal. On the other hand, demand for building materials, machinery, and electric equipment needed for investment expansion has also decreased. China's economy is now greatly affected by markets. Therefore, only by increasing demand for essential products can the corresponding supply be attracted to grow. Based on the above analysis, Yang Peixin thinks that last year the overheated investment relaxed and the policy of readjusting the national economy by reducing investment in capital construction gained results. It is now necessary to consider how to properly increase the input while controlling total supply and demand, so that the social economy can operate normally.

According to Yang Peixin's briefing, last spring, relevant information organs conducted a survey in 2,885 enterprises, whose industrial production value accounts for 50 percent of the local total in the six provinces and municipality of Liaoning, Jilin, Henan, Fujian, Zhejiang, and Tianjin. Entrepreneurs universally maintain that industry will still be in a condition of slow growth. However, production will be affected by factors such as overstocking of products, shortage of circulating funds, decline in enterprise economic results, reduction in income of workers and staff members, insufficient total demand, and so on. Yang Peixin thinks that, in calculating total demand, residents' savings should not be regarded as surplus purchasing power and included in the total demand. A considerable amount of residents' fixed deposits are placed, within a certain period and by way of bank loans, in circulation and production links to increase money supply. As to the increased stock of social commodities, the rational part can be included in investment demand and the irrational part belongs to overstocking, which should be regarded as a manifestation of supply exceeding demand. Therefore, Yang Peixin thinks that at present it is necessary to properly increase investment and demand to activate markets, promote the growth of supply, and push forward economic development.

The Way Out Lies in Revitalizing Large and Medium Enterprises

Yang Peixin stressed: A fundamental way out for China's economy lies in revitalizing large and medium state enterprises and developing agriculture. The way to revitalize large and medium enterprises is to uphold, improve, and

develop the enterprise contracted system and to carry out investment structural reform systematically. The pattern of focusing on state investment should be shifted to a combination of investment by the state, localities, enterprises, collectives, peasants, and foreign capital, so that investment results can be effectively raised.

Yang Peixin particularly mentioned the experience of contracted system in the Shoudu Iron and Steel Company. That is: The whole staff engage in a contract; progressive increase in responsibility; "fixed basic figures, guaranteed amount to be turned over to the state; full retention after quota fulfillment; deficits to be made up by individuals;" distribution of retained profits; and maintenance of a certain proportion between profits and total payroll. Yang Peixin thinks that this contract system is a mechanism for self-accumulation, self-development, and self-restraint.

Yang Peixin is of the opinion that to actually revitalize large and medium enterprises, the most important thing is to carry out coordinated reforms centering on the contract system at a macrolevel.

First, structures of investment, planning and foreign trade must undergo reform so as to give enterprises decisionmaking power in investment and foreign trade. In his opinion, the planned allocation of raw and semifinished materials and products should be changed to a system under which location and quantity are fixed while prices are flexible. Later on, a system under which construction units are given preferential treatment in ordering goods will be instituted to bring into full play the enterprises' initiative to develop new products in line with market demand. As for decisionmaking power in foreign trade, he suggests that it be delegated to the lower levels step by step.

Second, the financial structure must undergo reform to lighten the tax burden of enterprises. Yang Peixin holds that, in future, the financial department should place more emphasis on reducing expenditure than on increasing revenue. The depreciation rate should be raised, the size of staff and the expenditure of government organs should no longer be expanded, and the administrative structure should be simplified, so that enterprises can recuperate and gather strength.

For the purpose of creating a fine external environment to invigorate large and medium enterprises, Yang deems it necessary to set a margin for upward adjustment of prices and a ceiling for savings and loans interest rates. Only by so doing can the interest rates be maintained at a relatively low level to alleviate enterprises' heavy burden of high interest rates.

This academic stresses that, in order to develop the national economy in a coordinated way, it is necessary to correctly handle the relations between stability, reform, and development, and that the in-depth reform is an important guarantee for China's smooth economic development. Through reform, a full set of macrocontrolling systems should be established to control the

complicated social economy, so that deep contradictions in economic operations can be resolved. Moreover, in terms of reform steps, the principle of steady advance and overall consideration should be adopted.

Article Examines 'Triangular Debt' Problem

HK1307074091 Hong Kong ZHONGGUO TONGXUN SHE in English 0440 GMT 13 Jul 91

["Feature: Chinese special native product: "Triangular" debt"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, July 13 (HKCNA)—In the past, the Mainland had long practised planned economy under which everything ranging from raw materials, equipment for production and marketing were all managed by the state. There was no such thing as "debt". Following the implementation of reform and open policies, waves of debt started coming one after another. As yet there are no regulations governing the practice of raising loans and making repayment. Disputes over debts have been appearing in large numbers and of such debts, "triangular" debts are the most serious.

Mainland people have taken to calling "triangular" debts a "Chinese special native product" because such debts are not the result of "borrowing" but of "delivering". The great majority of products produced by the first-class state enterprises such as the Baoshan Iron and Steel Works are listed in the state's mandatory plan. Contracts have to be 100 percent fulfilled. Goods should be delivered on schedule and to the specific quantity. [as received] In spite of the fact that the recipient might well be deeply in debt, so long as he has the allocation the producer has to fulfill the mandatory plan of delivering the goods to him. As a result enterprises have been forced to become involved in "triangular" debt. As both sides are state enterprises, the debt then belongs to the state. Strange as it may seem, the debtor seems to have justice on his side while the creditor has to "kowtow".

Debt collecting has become a major economic activity among enterprises. The number of personnel engaged in debt collecting in the course of a year ranges from a dozen or so to several hundred for a single enterprise. The total number of personnel engaged in debt collecting numbers hundreds of thousands across the country, showing the seriousness of "triangular" debt.

It is understood that two national events since 1988 high-lighted the practice of debt collecting among enterprises in the Mainland. The fundamental problem, however, has not been solved. Quite a number of measures taken in response to the problem simply ended in disappointment and failure. Relevant information showed that "triangular" debt was not on the decrease, rather was it more serious than ever. [as received] For example, the total sum of money overdue owed from one enterprise to another was put at a mere several billion renminbi in 1987 when the high tide of debt collecting began. The gross debt rose rapidly to RMB [renminbi] 32

billion in 1988, more than RMB 100 billion in 1989 and quickly to RMB 200 billion in 1990.

When analyzing the root cause of "triangular" debt which affects the normal circulation of China's economy, Mainland experts and scholars unanimously agree that the situation is too complicated to pinpoint any one cause. But, according to newly-promoted Vice Premier Zhu Rongji, there are three reasons for this phenomenon. First, shortage of funds for capital construction and technological renovation meant that problems were not quickly solved, causing debt by reason of purchases of equipment and raw materials. Second, some enterprises while producing are at the same time stockpiling their products, thus using funds for other enterprises. Third, some enterprises and banks, in defiance of financial discipline, refused unreasonably to make repayment.

Mr Zhu stressed recently that according to decisions made by the State Council, the emphasis was currently being put on the clearing up of "triangular" debt by rectification of production order, financial discipline and all-out implementation of 11 measures aimed at invigorating large and medium-sized enterprises. The clearing up of the "triangular" debt problem, Mr Zhu pointed out, lay in the adoption of tough measures with the aim of making a complete overhaul of the situation. The first step is to properly handle funds for capital construction and technological renovation, then to regulate the circulation of funds in a bid to break the debt chain, strictly implement discipline in settling debts and restore financial order. Enterprises unreasonably behind in debt repayment had to be seriously treated. It seems by the look of things that the Mainland is going to launch a third tide of debt collecting.

Liaoning Selected for Debt Default Plan

HK0607070091 Beijing CHINA DAILY in English 6 Jul 91 p 2

[By staff reporter]

[Text] The central government is trying to renew and beef up its campaign of taming debt defaults which are continuing to threaten the country's economic growth.

Figures on the exact amount of debt in arrears are not available, but economists believe the outstanding defaulted debts remain at 150 billion yuan (\$28 billion)—the same as it was in 1990, when the government started to tackle the problem.

CHINA DAILY [BEIJING RIBAO] learned that the State Council has chosen Liaoning Province—the country's largest heavy industrial hub—as a trial place to clear debt defaults which amount to 26 billion yuan for the province alone.

A PEOPLE'S DAILY [RENMIN RIBAO] report said that the central government has already adopted harsh and forceful measures, including guaranteeing funds for

construction projects, further tightening the budget, and shutting down insolvent enterprises.

However, economists warned that the government is facing an uphill battle, given the complexities of debt defaults. They said that some enterprises even look pride in deferring debt payments, believing that the practice could generate economic returns.

That partly explains why the central government doled out nearly 160 billion yuan last year to clear defaulted debts worth 150 billion yuan.

But at the end of last year, debts still stood around 150 billion yuan and continued to grow.

Premier Li Peng recently said that clearing debts would act as a "break through point" in increasing the economic efficiency of enterprises across the country.

Recently Li named newly-elected Vice-Premier Zhu Rongji, replacing Vice-Premier Zou Jiahua, as head of the government's task force on settlement of debt defaults.

Li reportedly demanded concrete results by the end of this year.

The PEOPLE'S DAILY report said that Liaoning Province last year settled debt defaults totalling 14.5 billion yuan, accounting for 90.6 percent of the total.

However, debts bounced back to 26 billion yuan by the end of May this year.

East Region**Lu Rongjing at Anhui Party Anniversary Soiree***OW1107141491 Hefei ANHUI RIBAO in Chinese
1 Jul 91 p 1*

[By Yin Wei (3009 0251)]

[Excerpt] Anhui and Hefei held a literature and art soiree to mark the 70th founding anniversary of the CPC at the Anhui Theater last night. Lu Rongjing, Fu Xishou, Shi Junjie, Meng Fulin, Hou Yong, Zheng Rui, Zhao Baoxing, Shi Lei, and other leading comrades of the Anhui provincial and Hefei municipal party, government, and military organizations were present. [passage on entertainment programs omitted]

Tian Jiyun Orders Anhui To Divert Floodwaters*OW1307174191 Beijing XINHUA Domestic Service
in Chinese 1100 GMT 11 Jul 91*

[Text] Beijing, 11 Jul (XINHUA)—This information is from the Office of the State Flood-Control Headquarters: Tian Jiyun, head of the State Flood-Control Headquarters and vice premier of the State Council, signed Order No. 4 of the State Flood-Control Headquarters of this year at 1115 this morning, ordering the Anhui Province Flood-Control Headquarters to choose an opportune time and use the Chengxiu to divert floodwater.

Since June this year, the Huaihe has been continuously at a flood stage. Water levels at the middle and lower reaches of the Huaihe have been high for nearly a month. The water level at Zhengyangguan on the Huaihe reached 26.44 meters at 1300 today, 0.44 meters above the warning mark. In addition, the rains still have not ceased along the upper and middle reaches of the Huaihe. Large and middle-sized dams are operating at excess capacity. The water level at Zhengyangguan is expected to rise even further.

To ensure the safety of the Huaihei Dike, and the dikes surrounding Bengbu City and Huainan City, plants, mines, and railways, the State Flood-Control Headquarters, in line with the State Council-approved plan for control of extraordinary floodwater in Huaihe, decided to use the Chengxiu for flood diversion purposes. At 1320 today, the Anhui Flood-Control Headquarters ordered the flood-control headquarters for the Luan Area to open the Chengxiu sluice gates at 1600 today in order to store the floodwaters and set the flow rate of incoming floodwater at 3,000 cubic meter per second. People living near Chengxiu were evacuated to safe areas before 1500.

Anhui Vice Governor Long Nian, and Xiao Yuanxing, deputy commissioner of the Luan Area, are on the spot giving directions concerning the opening of the sluice gates. By 1615 today, the 36 gates at the Chengxiu were all opened; the height of the opening is 25 centimeters.

Anhui Party Studies Jiang Zemin Speech*OW1407025791 Hefei ANHUI RIBAO in Chinese
3 Jul 91 p 1*

[By ANHUI RIBAO correspondent: "Provincial Party Committee Standing Committee Studies Jiang Zemin's '1 July' Important Speech, Stresses Importance of Linking Theory with Reality, Implements Essence of Speech in All fields"]

[Text] After collectively watching Comrade Jiang Zemin's important speech delivered at the meeting marking the 70th founding anniversary of the CPC on the afternoon of 1 July, the provincial party committee Standing Committee held a meeting on the morning of 2 July to study and discuss conscientiously the speech.

It was unanimously held that Comrade Jiang Zemin's speech has reviewed and summed up the struggling process of the party during the last 70 years, profoundly expounded the solemn missions of contemporary Chinese Communists, and further identified the major problems to be solved and the principal tasks in strengthening party building. The speech was well balanced in theory and practicality. Serious study and implementation of Comrade Jiang Zemin's speech will be of great importance to understanding further the party's brilliant career, historic encounters, and glorious tradition; to building socialism with Chinese characteristics by continuously adhering to the universal truth of Marxism based on China's reality; to strengthening explicitly the party's political, ideological, and organizational style and its basic orientation; to reinforcing further the party spirit; and to enhancing the party's combat capability. Attendees vowed not only to take the initiative to study the speech in detail themselves but also to organize broad masses of party members and cadres in the province to follow suit. They maintained that a study of the speech should be viewed as an important educational process on party history, the party's basic line, party building, and theoretical education for building socialism with Chinese characteristics. It is hoped that, through such education, the political awareness and theoretical level of party members and cadres will be enhanced further.

Attendees maintained that Comrade Jiang Zemin's speech has put forward a host of important viewpoints and opinions from a perspective where theory and practice meet. They maintained: We must link the essence of the speech to reality and thoroughly understand it before its practical application. Party organizations at various levels should organize a combined study, step up investigations and studies, take initiatives to apply the essence of the speech in all fields, and try to deepen an understanding in the course of practice. Currently, disaster resistance and relief has become the central task of the province. We should closely combine the study with the work of disaster resistance and relief, to lift further our

spirits, strengthen our confidence, and bring out the political superiority to ensure a final victory in disaster resistance and relief.

Pointing out that Comrade Jiang Zemin's speech has pooled the wisdom of the party and is very rich in content, they called for mastery of the crucial points after thoroughly grasping its essence. It is particularly important, through repeated study and absorption of the speech, to understand deeply the party's leading role, the process through which key functions of the party is determined, and its objective necessity; to believe firmly that New China would not have come into existence without the CPC, that China can only take the socialist road, and that the party will certainly lead the people of the entire nation to the successful accomplishment of the socialist modernization drive; to have a deep realization that adherence to the integration of the basic theory of Marxism with the practical conditions of China's revolution and construction will lead the party to greater victories and successes; to have a deep realization of the historic mission in developing the socialist economy, politics, and culture with Chinese characteristics and enhance self-awareness in implementing the party's basic line; and to have a deep understanding of the vital importance of strengthening party building, inherit and carry forward the fine party tradition and style, and the close relationships between the party and the masses, and between cadres and the masses. All these are aimed at further promoting the objectives of serving the people wholeheartedly, eliminating negative and corrupt practices, and closely uniting the masses to ensure continued successes in the cause of socialist construction.

The meeting decided that various localities and departments should, within two months, organize party members and cadres to study Comrade Jiang Zemin's speech. To ensure good results, a study format should be practical and varied.

Anhui Propaganda Department on Jiang's Speech

OW1307042391 Hefei ANHUI RIBAO in Chinese
4 Jul 91 p 1

["Propaganda Department of the Provincial Party Committee Issues Circular Calls for Organizing the Vast Numbers of Cadres and Masses To Study Earnestly Comrade Jiang Zemin's Important '1 July' Speech"]

[Text] In accordance with instructions by central authorities and demands by the provincial party committee, the propaganda department of the provincial party committee issued a circular on 2 July which says that arrangements should be made for the vast number of cadres to study earnestly Comrade Jiang Zemin's important "1 July" speech. The circular sets forth the following requirements:

1. The importance of Comrade Jiang Zemin's speech should be fully understood. Comrade Jiang Zemin's important speech at the meeting celebrating the 70th founding anniversary of the Chinese Communist Party reviews and sums

up the party's 70-year course of struggle, elaborates profoundly the stern mission of contemporary Chinese communists, and further affirms the important task of strengthening and improving the party's leadership. It is a programmatic document that will serve as our guidance for a long time to come. All localities and departments should make a serious effort to organize the vast numbers of party members, cadres, and masses, especially cadres at and above the county and departmental level, to concentrate on studying Comrade Jiang Zemin's "1 July" speech. Success in studying this speech is of vital significance in gaining a profound understanding of the party's brilliant course, historical experience, and glorious tradition, in building socialism with Chinese characteristics by continually following the universal truth of Marxism and proceeding from China's practical conditions, and in making clear the extreme importance and fundamental orientation of strengthening the party's political, ideological, and organizational tasks and improving its workstyle. Success in studying the speech is also very important to enhancing our party spirit and strengthening the party's fighting strength.

2. Attention should be paid to grasping the key points while trying to receive a comprehensive understanding of the guidelines contained in the speech. It is necessary to understand in depth the process whereby the Chinese Communist Party has assumed the leading position and has been playing the role of the core. It is also necessary to understand the objective inevitability of this process. We should believe firmly that, without the Communist Party, there would be no New China, that China can only take the socialist road, and that the party can surely lead the people across the country to successfully achieve socialist modernization. We should have a profound understanding that persistence in integrating basic Marxist principles with the concrete practice of China's revolution and construction is the foundation for the victory and success of our party. We also should have a profound understanding of the historical mission of building the socialist economy, politics, and culture with Chinese characteristics to enhance people's awareness of implementing the party's basic line. In addition, there should be a profound understanding of the utmost importance of strengthening the work of developing our party, of inheriting and carrying forward the party's fine tradition and workstyle, and of forging close ties between the party and the masses and between the cadres and the masses. The study of the speech should be regarded as an important education about the party's history, the building of socialism with Chinese characteristics, the party's basic line, and the need to strengthen the party's development. Through the study of the speech, the political and ideological consciousness and theoretical understanding of party members, cadres, and masses should be brought to a higher level.

3. It is necessary to adhere to the principle of integrating theory with practice and make every effort to implement the guidelines of the speech in doing every task. The basic purpose of studying Comrade Jiang Zemin's speech is to inherit and carry forward the party's fine

tradition, further mobilize the whole party and the people of all nationalities throughout the country to attain the second-step strategic objective of socialist modernization, and continue to advance on the road of building socialism with Chinese characteristics under the new historical conditions. At present, fighting disasters and doing relief work are the central task of the whole province. It is imperative to link the study closely to the struggle to combat disasters and relief work, use the guidelines contained in the speech as an impetus, further rally our energy, reinforce our confidence, and do still better in developing our political advantage in an effort to win final victory in the struggle against disasters and in relief work.

4. It is imperative truly to strengthen leadership in making arrangements for the study of the guidelines of Comrade Jiang Zemin's speech, which should be regarded as a matter of prime importance. Initially, two to three months should be scheduled for such study. All localities and departments should make concrete plans to study the speech in accordance with their specific conditions. Leading cadres should take the lead in studying the speech and giving lectures about the speech. The method of study should be practical and varied. In sum, every effort should be made to achieve good results.

Anhui, Jiangsu Seek National, International Aid

*OW1107100591 Beijing XINHUA in English
0633 GMT 11 Jul 91*

[Text] Hefei, July 11 (XINHUA)—Since mid-May, rainstorms, the worst the people can remember, have left more than 260 people dead in east China's Anhui Province, causing direct economic losses of up to seven billion yuan.

Statistics from the province indicate that more than 4.3 million hectare [ha] of cropland have been submerged and some 1.2 million houses have been destroyed or damaged, affecting more than 33 million people. At present, 17,000 villages and more than five million people are still stranded, according to official sources.

Meanwhile, neighboring Jiangsu and other provinces have also been hit by the rainstorms, causing even bigger losses.

In the face of the serious disaster, the whole nation has been mobilized to give every possible assistance to the people in flood-inflicted areas who are still in dire need of more help.

The central government has given top attention to the situation in the province, calling on all government departments and all parts of the country to give all-out help. The international community is also urged to render assistance.

On behalf of the party Central Committee and the State Council, party chief Jiang Zemin and Premier Li Peng visited flooding areas and encouraged local officials to organize a determined fight against the natural disaster to

ensure the safety of the people and try to minimize losses. They also asked the local governments and relevant departments to build more water-control facilities and enhance their ability to fight future natural adversities.

At the same time, state departments have contributed large amounts of relief funds. And relief goods and materials are being shipped to the province's flood-stricken areas.

The whole nation, from primary school pupils to the elderly retired people, have donated money, clothes and materials to the province's flood-stricken areas.

Wang Qing, a third-year pupil, remitted 10.37 yuan to the province's flood-stricken areas when he heard the news over the radio.

"I gave my pocket money to express my regards," Wang said.

According to incomplete statistics for June 15 to 19, Fuyang Prefecture, an area with 7,000 villages and 1.63 million people who have been affected by the floods, has received 1.1 million yuan from party members, leading officials and the masses.

Provincial officials have been sent to the scene to lead flood control work. Moreover, 177 medical teams have been mobilized to treat the sick and wounded.

The governments have also distributed free relief food and materials to the flood-hit areas.

Soldiers and officers from the People's Liberation Army (PLA) are also playing an increasingly important role in the province's disaster reducing efforts.

The PLA has sent more than 500,000 regular troops and some two million reserves to combat the floods in eastern China since early May. Some departments of the PLA have also contributed two million yuan-worth of materials.

In mid-June, army officers and soldiers saved more than ten thousand people from 150,000 villages in the province, according to a local official.

On June 16, a heavy rainstorm thrashed against the houses and washed them away. Thanks to the PLA's quick arrival on the scene, many lives were saved, the local people said.

Rainstorms are continuing in east China and more are still expected. The exhausted people in Anhui, Jiangsu and other provinces are continuing their fight against floods, determined not to yield to the disaster. Timely assistance from the international community will be greatly appreciated and remembered, they say.

Jiangsu's Shen Daren Relays Jiang's Concern

OW1407033691 Nanjing Jiangsu People's Radio
Network in Mandarin 0915 GMT 11 Jul 91

[Text] At 1000 hours this morning, Shen Daren, secretary of the provincial party committee, made a phone call to (Jiang Miyung), secretary of the Yangzhou City Party Committee, relaying General Secretary Jiang Zemin's concern for the disaster-stricken area in (Lixiahe). The phone call greatly aroused the fighting will of a million men combating the flood and deepened their confidence. The masses in the disaster-stricken area were moved to tears, extended heartfelt thanks to General Secretary Jiang for his concern, and decided to repay the party Central Committee and provincial Party Committee's concern and support by combating the flood.

General Secretary Jiang, while on an inspection tour in Jiangsu's disaster-stricken area, heard a report by leaders of the provincial party committee and provincial government on (Lixiahe's) very serious losses caused by the disaster and on some people being marooned by the floods. Deeply concerned by the report, General Secretary Jiang said: The (Lixiahe) area is in a low-lying area of land. Torrential rain means a great disaster. It is necessary to adopt resolute measures as soon as possible to guarantee the safety of the lives and property of masses afflicted by the disaster.

Following the general secretary's order, Gu Hui, commander of Nanjing Military Region, immediately decided to dispatch troops, who carried relief equipment, braved the rain, and rushed through the night to Gaoyou and other places where the losses caused by the flood were serious. They bravely combated the floods with local cadres and masses and rescued the people who were marooned by the flood.

In his phone call, Secretary Shen Daren, on behalf of the provincial party committee and the provincial government, extended cordial greetings to the people in the disaster-stricken Yangzhou area and instructed: Currently, the rain is still falling between the Chang Jiang and the Huai He. It is necessary to mobilize the cadres and masses to unite as one and combat the situation bravely, put the safety of the people's lives and property in the disaster-stricken area above all else, and spare no efforts to prevent casualties caused by the disaster.

Jiangsu Governor on Flood Control Measures

OW1207145891 Beijing XINHUA in English
1309 GMT 12 Jul 91

[Text] Nanjing, July 12 (XINHUA)—Jiangsu Province, which has been ravaged by floods, today decided to take steps to protect key sectors.

In a telephone meeting held by the provincial flood-control headquarters, Chen Huanyou, governor of the province and head of the flood-control headquarters, said that all the

people in the province should take the interests of the whole into account and make all preparations for even-worse flood situations.

He said that the provincial government has decided that priority should be given to human life, safety of major river banks, reservoirs, and of airports, railways and roads.

He explained that every effort should be made to evacuate people trapped by floods. The Yangtze River, Hongze Lake and Liyunhe River should be kept safe no matter what happens, as should major railway arteries like the Tianjin-Nanjing, Shanghai-Nanjing and Lianyungang-Lanzhou railway lines.

Jiangsu is one of the 18 provinces hit by severe floods. Described as the worst in a century, the flooding has submerged 2.7 million of the 4.53 million ha. of farmland, sweeping away two billion kg of summer grain, flooded 25,000 enterprises and warehouses and forced some 20,000 enterprises to stop production. The flooding has also besieged more than 3,000 villages and damaged more than 524,000 houses, killing 198 people and rendering 1.2 million families homeless.

The direct economic loss is estimated at over nine billion yuan.

The flood situation is still developing and the province is preparing for the worst.

Jiangsu Party Studies Jiang Zemin Speech

OW1407041291 Nanjing XINHUA RIBAO
in Chinese 3 Jul 91 p 1

["The Standing Committee of the Provincial Party Committee Conscientiously Study Comrade Jiang Zemin's Important Speech on Unflinchingly Building Socialism With Chinese Characteristics"]

[Text] On the afternoon of 1 July, responsible comrades of the Standing Committee of the provincial party committee, the provincial People's Congress, the provincial government, the provincial Committee of the Chinese People's Political Consultative Conference and the provincial Discipline Inspection Committee gathered under one roof to watch a live telecast of Comrade Jiang Zemin delivering a speech at a meeting marking the 70th anniversary of the founding of the Communist Party of China. On the morning of the following day, they studied and discussed the speech. The comrades present agreed that Comrade Jiang Zemin's speech briefly sums up our party's 70 years of struggle, scientifically and systematically elucidates the basic principle and requirements for building socialism with Chinese characteristics, and sets specific demands for further strengthening our party building. This important speech is a programmatic document for our building socialism with Chinese characteristics. It is important Marxist literature and is of great significance to unifying all party members' thinking and to guiding all work in the future.

The comrades present at the meeting exchanged the experiences of their preliminary study and agreed that Comrade Jiang Zemin's speech elucidates the basic requirements for building socialist economy, politics, and culture with Chinese characteristics in the light of combining theory with practice. They agreed that his speech has a rich and profound content and shows our party's will and conviction to combine persistently the basic principles of Marxism with the concrete practice of the Chinese revolution, of national developments, and of unflinchingly keeping to our own path. In view of the international hostile force's scheme of "peaceful evolution," Comrade Jiang Zemin's speech takes a clear-cut stand to defend Marxism-Leninism-Mao Zedong Thought. In putting forward the basic requirements for building socialism with Chinese characteristics, his speech points out: Economically, we must uphold public ownership's dominant role and should not support privatization; politically, we must uphold party leadership and the people's democratic dictatorship instead of the multiparty system and Western parliamentarism; in the ideological and cultural spheres we must keep to Marxism as our guidance and should not ask for pluralism in guiding ideology. All this fully elucidates our party's firm stand on persistently taking the socialist road and resolutely opposing bourgeois liberalization. All our party members, particularly leading party cadres, should never be dubious of or vague on these important matters of principle.

The comrades at the meeting unanimously agreed after discussion that the key to building socialism with Chinese characteristics lies in strengthening and improving the party's leadership. We must not only continue to undergo the test of holding power, but also the test presented by reform, opening up, and running a commodity economy, and the test presented by the struggle against "peaceful evolution." We must strive to study and master the basic theory of Marxism-Leninism-Mao Zedong Thought, always remember the aim of wholeheartedly serving the people, govern the party strictly, strengthen the party's ideological building, improve the party's style, uphold and perfect democratic centralism, treasure and cherish the party's unity, bring the collective's role into full play and develop its enthusiasm, and pay great attention to training and selecting middle-aged and young cadres by being highly responsible for the party's cause.

The Standing Committee of the provincial party committee also set demands on methods to organize party cadres—particularly leading cadres at and above the county level—in the province as a whole to study seriously and well Comrade Jiang Zemin's speech. It stressed that at present it is necessary to set aside some time during which cadres can conscientiously study Comrade Jiang Zemin's important speech, and unify thinking by applying the guidelines of the speech, deepen understanding by combining the study with realities, and grasp well all work facing them today.

Jiangsu Democratic Meeting on Jiang's Speech

OW1407020991 Nanjing XINHUA RIBAO
in Chinese 4 Jul 91 p 1

[By Shen Tong (3088 4827): "Be United With the CPC and Strive To Materialize the Second-Step Strategic Objective: Responsible Persons of Various Democratic Parties and Federations of Industry and Commerce in Jiangsu Study Jiang Zemin's Speech"]

[Text] On the morning of 3 July, the provincial party committee united front department invited responsible persons of various democratic parties, the Federations of Industry and Commerce, and relevant organizations in Jiangsu to a discussion meeting to study Comrade Jiang Zemin's important speech delivered at a celebration meeting commemorating the 70th founding anniversary of the Chinese Communist Party. Attending the study discussion were Chen Minzhi, Chen Suiheng, Zhang Chenhuan, Tang Nianci, Xu Yingrui, Xia Bengying, Ren Jiangping, Shi Xianzhang, Sun Guanmao, Guan Zhongwei, Liu Zhenzhong, Lai Guotai, Hu Min, Fan Yuhu, Peng Zhaoan, and Chen Shenmin.

The attendees unanimously agreed on the following: While holding high the banner of Marxism-Leninism and Mao Zedong Thought, and the banner of scientific socialism, Comrade Jiang Zemin's important speech thoroughly summarized the CPC's glorious and splendid 70-year history and experiences; penetratingly expounded the profound connotation of developing a socialist economy, political system, and culture with Chinese characteristics; specifically laid out the noble mission of contemporary Chinese Communists; and pointed out that strengthening the building of the CPC is an important guarantee for developing socialism with Chinese characteristics. This is a programmatic document that has combined the general truth of Marxism and the actual practice of Chinese revolution and development. Through study, we have further specified the direction of struggle, invigorated our fighting spirit, and strengthened our confidence.

The attendees pointed out in their speeches that Comrade Jiang Zemin further specified the following in his speech: It is necessary to uphold and perfect the system of multiparty cooperation and political consultation under the CPC leadership to develop a socialist political system with Chinese characteristics. The patriotic united front continues to be a magic weapon in the drive for socialist modernization. The various democratic parties, the Federations of Industry and Commerce, and the CPC continuously have stood together through thick and thin. The CPC's noble mission in a new historic era shall be shouldered by us as our own. Therefore, at present, we should organize our respective members to study earnestly Comrade Jiang Zemin's important speech in connection with Jiangsu's actual conditions, thoroughly understand the essence of its guidelines, specify our individual responsibilities in the cause of building socialism with Chinese characteristics, resolutely believe

in the CPC leadership, resolutely believe in pursuing the socialist road, give full play to the functions as participants in the administration and discussion of state affairs and to our democratic supervisory role, so that we can be further united with the CPC in our struggle to materialize jointly the second-step strategic objective.

Jiangxi Approves Housing Reform Program

OW1107202691 Beijing XINHUA in English
0731 GMT 11 Jul 91

[Text] Nanchang, July 11 (XINHUA)—The government of east China's Jiangxi Province recently decided to start implementing its housing reform program at all levels by the end of this year.

This was announced here by Huang Zhiquan, director of the province's leading group on housing reform.

However, Huang did not elaborate on the content of the overall-reform plan, which, he said, needs further consideration so as to guarantee smooth restructuring in the near future.

The province has initiated its pilot housing reforms in dozens of cities and counties since 1988, the year a special office was formed by the provincial government. The office includes officials from several related government departments who will take charge of the work.

The experiments conducted over the last three years have proved to be a success as the housing problem has been partly solved in those places where various means of reform have been tested. The reform has encompassed rent increases, sales of public-owned houses and a new system regarding newly-built apartments.

Jiangxi Fighting 'Severe Drought'

OW1507131191 Beijing XINHUA in English
1207 GMT 15 Jul 91

[Text] Nanchang, July 15 (XINHUA)—While people in Jiangsu and Anhui Provinces are faced with what seem to be endless downpours, most areas in neighboring Jiangxi Province are fighting a severe drought.

Drought-stricken fields in the province now cover 635,000 hectares and the area continues to spread. The late rice harvest is expected to be seriously affected.

The provincial government has amassed over 202,000 diesel engines and 189,000 electric motors to help with efforts to irrigate the drought-stricken fields.

Officials report that in recent days some areas have attempted to induce rainfall using artificial methods.

Shandong Holds Public Security Bureau Meeting

SK1307020191 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 12 Jul 91

[Text] The public security front should take the overall situation into account, actively adapt to the new situation, enhance the entire fighting capacity, and make new contributions to safeguarding political, economic, and social stability. This was stressed by Comrade Changli, deputy secretary of the provincial party committee, in a statement given at the provincial meeting of section chiefs of public security bureaus a few days ago.

Public security is facing a challenge from four fronts. The first is the struggle on the political front. The focus of struggle is whether we should uphold the party's leadership, the socialist system, and the people's democratic dictatorship. The second is the struggle on the economic front. Actually, it is the peaceful evolution reaction in the economic sphere. We must foster an ideology of fighting a long battle from the perspective of opposing peaceful evolution. We must unrelentingly struggle against economic crimes. The third front is to safeguard society's security. Over the past few years, the public security departments have understood criminal offenses to be a prominent contradiction endangering social stability. At present, criminal activities such as abducting and selling women and children are running rampant in some localities. In society's security work, we still have to deal strict blows to criminal activities on the one hand while improving public security on the other hand. The two must not be dispensed with. The fourth front is to protect the coastline. It is necessary to actively strengthen the struggle against those who engage in smuggling, absconding to the inland, and fleeing to other localities, and to guarantee the safety of our province's coastal defense.

In line with the directives of the provincial party committee and the provincial government, the provincial Public Security Department studied and formulated plans for summer security work at this provincial meeting of section chiefs of city and prefectural public security bureaus.

Shandong Forum on Telecommunications Construction

SK1407033791 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 13 Jul 91

[Text] At the second provincial forum on telecommunication construction held on 13 July, Vice Governor Ma Shizhong pointed out: In the next 10 years and during the Eighth Five-Year Plan, the overall objective of our province's telecommunication construction is to increase by the year 2000 the total postal and telecommunications business volume and the major telecommunication capacity by seven times or even 15 times that of the 1980 figures in an effort to guarantee the realization of a 100-percent increase in our province's national economy ahead of schedule. Governments at all levels must consider doing a good job in local postal and

telecommunications construction as an unshirkable major task, aim at the targets, strengthen measures, and guarantee the successful fulfillment of this task.

Ma Shizhong said: The Seventh Five-Year Plan was a period during which our province achieved the most rapid progress and the best results in the development of posts and telecommunications undertakings since the founding of the country. By the end of June this year, our province's long-distance digital microwave circuits had reached 1,286 km. We have basically built the framework of a long-distance telecommunications transmission network formed by both state and provincial circuits, and running from the south to the north, from the east to the west, and along the coastal areas. The total urban telephone switchboard capacity has reached 433,000 lines, and 97 percent of the switchboards are automatic. More than 90 percent of the cities in the province have automatic telephones. At the same time, we must also soberly recognize that our province's telecommunications undertakings are off pace with the national economic development. At present, the rate of telephone users has not yet reach the national average level. Telecommunications construction has remained the weak link in our province's economic development, which must be solved.

Ma Shizhong said: In the next 10 years and during the Eighth Five-Year Plan, our province increase the rate of telecommunications construction. Long-distance telecommunications should be focused on the development of digital transmission circuits and switchboards. By the year 2000, the long-distance telephone circuits should reach 50,000 lines. All counties and cities should join the country's long-distance telephone automatic dialing network, and 50 percent of them should join the international automatic dialing network. Urban telephones should be focused on the development of program-controlled exchanges and should reach 1.86 million lines by the year 2000. In rural telecommunications, the work should be focused on improving the human-controlled telephone exchanges. We should enable all townships and more than 50 percent of villages to have telephone service.

Xie Gaojue, vice minister of posts and telecommunications, attended and addressed the forum.

Shandong Court Sentences 15 for Abduction

SK1207075891 Jinan Shandong People's Radio Network in Mandarin 2200 GMT 11 Jul 91

[Text] On 10 July, the provincial higher people's court held rallies to pronounce strict judgment on those who engage in human trafficking in Jining City and Liangshan County. According to the law, the court sentenced five human traffickers, including (Wang Xiuchang) and (Wang Xiuhong), to death; and sentenced the remaining 10 to two to 10 years' imprisonment.

From May 1985 to May 1990, the 15 criminals, including (Wang Xiuchang) and (Wang Xiuhong), jointly or individually committed crimes on 39 occasions. In the

name of doing business or finding jobs, they abducted and deceived 84 women from Guangxi, Guizhou, Hubei, and Hunan respectively and sold them in Liangshan and Jinxiang Counties; and earned more than 168,000 yuan.

Shandong's Yutai County Curbs Abduction of Women

SK1207074691 Jinan Shandong People's Radio Network in Mandarin 2200 GMT 11 Jul 91

[Text] Yutai County won the first struggle in dealing blows to those who abduct and traffic in women and children. As of 9 July, 14 persons who traffic in women and children fell into the net of justice. From 22 June this year, the county adopted various forms, such as holding meetings and using radio and television and propaganda vehicles, to mobilize the vast number of people to expose and denounce criminal activities. Leading groups for dealing blows to those who abduct and trade in women and children were set up in counties, towns and townships, and villages to conduct investigation into the real situation. As a result, they learned something about the women and children who had been abducted and sold and about their sellers, and achieved their purpose.

Wu Bangguo Attends Shanghai Antiflood Meeting

OW1407020891 Shanghai People's Radio Network in Mandarin 0900 GMT 13 Jul 91

[From the "News and Weather" program]

[Text] At a meeting of the responsible persons of counties, bureaus, and other departments today, the municipal rural work committee and the municipal agricultural commission reported on the damage created by flooding in an earlier period and made arrangements for future flood control. The meeting was held at the instructions of the principal leaders of the municipal party committee and municipal government. Leaders of the municipal party committee and municipal government, including Wu Bangguo, Ni Hongfu, Wang Liping, and Zhuang Xiaotian, attended the meeting.

Vice Mayor Zhuang Xiaoting spoke at the meeting. He said: The current disaster had two causes. On the one hand, it was caused by bad weather, such as the early arrival of the raining season, frequent rainstorms, and typhoons, like the one in Nanhui County. On the other hand, it was caused by the discharge of the flood waters of the Tai Hu. While suffering from floods themselves, Qingpu, Jinshan, and Songjiang counties blew up embankments to discharge the flood waters of the Tai Hu, thus worsening the situation. More than 300,000 mu of farmland have been inundated, and more than 300 peasant families were forced to evacuate.

Relevant municipal and county departments, displaying the communist style of helping each other, have enthusiastically joined in efforts to combat floods. As the state does not have enough chemical fertilizer and funds, the municipality allocated 32,000 metric tons of urea to the

suburban areas to help them resume production. The municipal finance department also helped them by providing a subsidy of 12.8 million yuan in addition to paying out 9.2 million yuan for flood control projects. Fruit growers affected by the flooding will see a reduction or exemption of special product taxes.

The meeting called on the people in the flood-stricken areas to be prepared for combating typhoons, rainstorms, high tides, and still more serious floods. The current flooding, rarely seen during the past 40 years, has inundated more than 800,000 mu of farmland. Economic losses in the suburban areas are estimated to be about 400 million yuan.

At the meeting, the heads of the Qingpu, Jinshan, and Songjiang counties gave a report on how soldiers and civilians joined efforts in combating the floods.

Shanghai Mayor Meets Japanese Trade Delegation

OW1307173691 Shanghai People's Radio Network
in Mandarin 2200 GMT 10 Jul 91

[From the "Morning News" program]

[Text] Mayor Huang Ju met with a delegation led by Mr. (Fentian Yaowan), director general of the Japanese Association for Promotion of International Trade, at the Municipal Government Distinguished Guests' Room yesterday [10 July].

Huang Ju told the Japanese friends that following a year's preparatory work, development of the Pudong area is now entering a phase of actual implementation. The tempo in opening and development of Pudong is not dropping, but is increasing for faster construction.

Zhejiang's Ge Hongsheng Inspects Factories

OW1307034191 Hangzhou ZHEJIANG RIBAO
in Chinese 2 Jul 91 p 3

[By Fang Ziyong (2455 5261 6978) and reporter Ji Yang (1323 7122): "Ge Hongsheng Comforts Workers of the Hangzhou Iron and Steel Mill and the Hangzhou Steam Turbine Plant Who Work Under High Temperature"]

[Text] Yesterday morning, Ge Hongsheng, provincial party committee deputy secretary and provincial governor, visited the Hangzhou Iron and Steel Mill and the Hangzhou Steam Turbine Plant and cordially comforted front line workers who work under high temperature there. He also held discussions with leading comrades in enterprises on ways to further improve and invigorate state-run large and medium enterprises.

At approximately 0900 hours, Governor Ge Hongsheng, accompanied by Sun Yongshen, director of the Hangzhou Iron and Steel Mill, arrived at the number one iron-smelting blast furnace and the platform of the revolving steel-smelting furnace, where the air is oppressively hot, and cordially shook hands with sweating workers, extending his warm regards. He was excited when he discovered that the

Hangzhou Iron and Steel Mill has achieved a historic record, in terms of production, wear and tear, and efficiency, for the first half of this year in comparison to all corresponding periods in the past. He said that the performance of the mill for the first half of this year is indeed encouraging. He expressed the hope that cadres and workers of the mill will make further efforts and achieve even better results in all aspects.

Arriving at the Hangzhou Steam Turbine Plant at 1040 hours, Ge Hongsheng went straight to the workshop and comforted workers at the first front. At this production scene, he inquired from factory director Fang Wen about the advanced performance of some imported installations and praised the plant for its achievements in technical transformation during the Seventh Five-Year Plan period. He said: To improve and enliven large and medium enterprises, it is necessary to persist in the concept that science and technology is the first productive force and to rely persistently on technological advancement. During discussions with the factory leadership, Ge Hongsheng made detailed inquiries into matters relating to production, sales, exports, and technical transformation under the Eighth Five-Year Plan. He also solicited opinions from comrades on what kinds of outside solutions they expect in invigorating enterprises.

Floods in Zhejiang Cause 'Huge Losses'

OW1507143991 Beijing XINHUA in English
1236 GMT 15 Jul 91

[Text] Hangzhou, May 15 (XINHUA)—Since the middle of June east China's Zhejiang Province has been hit twice by severe rainstorms and floods which have caused huge losses to the province.

This year's rainy season, which are known in China as plum rains, hit the province much earlier and stronger than normal. The rains have hit the plains surrounding Hangzhou, Jiaxing and Huzhou cities.

During a period from June 12-20, the plains were hit by thunderstorms which had an average rainfall of 205 mm, or 3.5 times the normal. From July 1-8, the area was again plagued by rainstorms which had an average rainfall of 172 mm.

The disastrous floods coming after the rainstorms resulted in heavy economic losses to this area. Preliminary statistics by the provincial government show that 16 counties and cities suffered heavy losses as a result of the storms. In addition, the storms have left over 58,000 people homeless, while 12 people have died and 22 have been seriously injured.

The statistics also show that more than 310,000 hectares of farmland have been flooded and that the crops on 21,000 ha. have been completely destroyed. Over 10,000 houses have collapsed and 4,070 factories and enterprises have been affected by the floods.

With the damage to highways and telecommunications the floods have resulted in direct economic losses of 1.35 billion yuan.

Zhejiang Expels Ningbo Port Official From Party

OW1407060791 Hangzhou Zhejiang People's Radio Network in Mandarin 0900 GMT 11 Jul 91

[Text] Shen Hanzhang, deputy director of the Ningbo Port Administration and member of the party committee, has accepted bribes worth more than 70,000 yuan by taking advantage of his position and power in taking charge of electromechanical projects. Recently, the provincial discipline inspection commission seriously dealt with this major bribery case and expelled him from the party.

People reported Shen Hanzhang's involvement last year in a major bribery case. Paying great attention to this case, the provincial discipline inspection commission organized an investigation group as early as August last year. It has conducted a careful and thorough investigation into this case with the help of the Ningbo Procuratorate. The investigation has shown that Shen Hanzhang accepted cash and valuable articles worth more than 72,000 yuan from a responsible person of a construction company since 1984, when he took charge of the capital construction of the port administration. In addition, his son also accepted 9,000 yuan in cash from this construction company. After learning of this, Shen Hanzhang did not ask his son to return the money.

To enforce the party's discipline and to remedy unfavorable influences, the provincial discipline inspection commission made the decision to expel Shen Hanzhang from the party after discovering these facts and submitting them to the provincial party committee for approval. The case has now been handed over to judicial authorities for further examination.

Qinshan Nuclear Monitoring System Gains Approval

OW1207140591 Beijing XINHUA in English 0659 GMT 12 Jul 91

[Text] Hangzhou, July 12 (XINHUA)—The computer-monitoring system at the Qinshan Nuclear Power Station was granted provincial technological approval in Hangzhou on July 11 following a 200-day trial run.

The system, the first of its kind in China, was specifically designed to monitor the overall operation of the plant's systems and installations.

The initial application of the system was aimed at improving the accuracy and automation of monitoring during the inspection period.

Central-South Region

Zhu Senlin at Guangdong Antinarcotics Ceremony

HK1407011191 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 12 Jul 91

[Excerpts] This morning the provincial antidrug committee burned a quantity of drugs comprising opium and heroin which were seized recently. [passage omitted]

Provincial party and government leaders Zhu Senlin, Song Zhiying, Ling Botang, and others were present. [passage omitted]

Zhu Senlin, deputy secretary of the provincial party committee and acting governor, delivered a speech at the occasion.

Zhu Senlin said: Comrades! This morning all members of the provincial antidrug committee, together with all delegates to the provincial antidrug conference, gathered here to destroy by burning this opium and heroin. This is of practical and historical importance and indicates the provincial government's determination to carry the struggle against narcotics through to the end in compliance with the people's wishes. This also constitutes a head-on blow against drug traffickers and addicts. Over the last few years drug trafficking and abuse has resurfaced in Guangdong. We must wage a people's war against narcotics to check the unbridled spread of narcotics in one or two years. [passage omitted]

The scene reminded this reporter of Lin Zexu's just struggle against opium. From 3 to 25 June, 1839, Lin Zexu also burnt opium at (Humentan) near the mouth of the Zhu Jiang.

Guangdong Survey Shows Housing Reform Support

HK1307062991 Beijing CHINA DAILY in English 13 Jul 91 p 3

[By Li Zhuoyan]

[Text] Guangzhou—Housing reform in Guangdong Province is receiving the support of the local residents, according to a recent survey.

The survey by a provincial urban social economic survey team showed that 53.4 percent of the people questioned were in favour of the housing reform, only 13.8 percent opposed it and the remainder were indifferent.

The survey questioned 1,550 people from 18 cities and counties in the province.

The on-going housing reform encourages people living in public (State-owned) apartments to buy their living spaces or they will end up having to pay much higher rents than the present public housing fees.

The survey reported that those in favour of housing reform want it to be speeded up, arguing that the housing

reform could help the government accumulate more funds needed to build new housing and alleviate the housing shortage.

And the idea of owning property which they could pass on to their children was also appealing to some of those in favour of the reform.

Half of those who supported the reform said they would buy houses. And among potential buyers, 70 percent said they would like to invest sooner rather than later. Some 35 percent of those interested in buying homes said they would like to pay at one time, while the remainder preferred the installment plan.

Most potential buyers reported they would use family savings to purchase the houses instead of bank loans.

People who said they would delay purchasing a home gave the following reasons:

- They did not have enough money.
- They had private houses already.
- They were not satisfied with the public apartments they were living in, either because of the quality or the limited living spaces.
- They were afraid the policy of housing reform would be changed and there are not enough laws or regulations at present to ensure their ownership of the apartments.

Twenty-six percent of those favouring the reform planned to rent the houses instead of buying them and the others said they would decide between buying or renting only after the reform policy became clearer.

Those against the reform complained that they could not afford to either buy or rent the public houses.

The creation of a better housing system is one of major tasks during the Eighth Five-Year Plan period (1991-95).

The goal is to increase the average per capita living space in the province from the present four square metres to 11 square metres.

Shenzhen Mayor Notes Increase in Export Values

OW1107210591 Beijing XINHUA in English
1402 GMT 11 Jul 91

[Text] Shenzhen, July 11 (XINHUA)—The total export value of Shenzhen, a special economic zone in south China's Guangdong Province, reached 2.009 billion U.S. dollars in the first six months of this year, up by 15.3 percent over the same period of last year, according to statistics from local customs.

Zheng Liangyu, mayor of Shenzhen, said at a work conference today that the export situation is better than expected due to the adjustment of the country's foreign trade policy.

Statistics show that the export value of products from foreign-funded enterprises in the first five months

increased by 50 percent over the same period of last year, while that of the state-run enterprises increased by 4.5 percent.

Zheng said that the balance of foreign exchange accounts of state banks in the zone has registered an accumulative 645 million U.S. dollars in the first half of this year, an increase of 39.8 percent over the same period of last year.

He also said that 397 agreements to utilize foreign funds amounting to 406 million U.S. dollars were signed in the first half of the year.

Shenzhen Crimes Involving Firearms Increase

HK1507053391 Hong Kong MING PAO in Chinese
12 Jul 91 p 8

[Report: "More Criminal Cases Involving Use of Firearms Occur in Shenzhen City"]

[Text] Recently, criminal cases involving the use of firearms have been occurring frequently in Shenzhen. Between January and May, 18 such cases occurred in Shenzhen, nearly four times as many as in the same period last year. Of these cases, 12 were armed robberies.

The Shenzhen police recently took severe action against crimes and successfully smashed and cracked 13 criminal gangs, arrested some 4,000 suspected criminals, and seized 38 firearms and a batch of ammunition, detonators, explosives, homemade bombs, and blasting fuses.

The Shenzhen police stressed that criminal cases involving firearms will be thoroughly investigated, and severe blows will be dealt those involved. Difficult cases will be linked together in analysis in order to find clues. The firearms kept in civilian units will be regularly checked and all will be registered. The police will also carry out surprise inspections from time to time and will actively cooperate with the Hong Kong police in dealing with the criminal activities of trading firearms in Shenzhen or across the border.

Hainan's Deng Hongxun Inspects Grass-Roots Units

HK1407045491 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 11 Jul 91

[Excerpts] Provincial party committee Secretary Deng Hongxun yesterday [11 July] went down to grass-roots units in Haikou City to carry out investigations. [passage omitted]

While checking up on work in factories, Deng Hongxun went right to workshops, teams, and groups there to cordially talk with workers to find out about production and sales. [passage omitted]

After listening to reports made by factory operators, Deng Hongxun said: It is important to develop new products. You must adapt yourselves to changes in domestic and foreign markets and be bold in introducing advanced technology and superior products. You must

seize the opportunity and fully utilize the central government's preferential policies to expand production and improve economic efficiency in many ways. You must try in every possible way to upgrade your products so that they will be marketable abroad. If we fail to orient our products to foreign market needs, our enterprises' development will be out of the question.

While investigating a number of loss-making enterprises, Deng Hongxun pointed out: It is necessary to get rid of the old management system under which everyone eats from the same big pot. We must vigorously carry out internal reforms. At the same time, we must make vigorous efforts to absorb foreign funds and advanced technology and establish ties with other domestic enterprises by using existing factory buildings and equipment. We must find a way out through developing new products and improving management. [passage omitted]

While making investigations in the outskirts, Deng Hongxun said: It is essential to build a number of vegetable production bases which are of high standard and ensure stable yields despite drought or excessive rain, constantly increasing the variety of vegetables so that urban areas will have an ample supply.

After visiting two culturally advanced units, (Qinghua) District and (Houfu) Village of Haikou City, Deng Hongxun said: While promoting economic construction in rural areas, we must advance ideological and cultural progress; carry out a series of useful activities, such as selecting model families or culturally advanced families to raise the peasants' ideological standard and cultural level; and build up a new socialist countryside. [passage omitted]

Hainan Holds Public Security Conference

HK1307054091 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 11 Jul 91

[Excerpt] The provincial conference for directors of public security bureaus was held at [words indistinct], (Dongfang) County 5-10 July. Wei Zefang, member of the provincial party committee standing committee and secretary of the provincial Political Science and Law Commission, and Vice Governor (Wang Xieping) attended and delivered speeches.

(Zhao Shankui), deputy director of the provincial public security department, summarized the work relating to public security province-wide in the first half of the year and arranged for the work for the third quarter.

(Zhou Yiyi), member of the provincial Political Science and Law Commission, briefed the conference on how the province-wide examination of matters related to enforcement of the law had been conducted.

The conference analyzed the current situation with respect to public security in a down-to-earth manner and maintained that the local public security as a whole and the past records of public security are satisfactory. However, the public security in key cities and in the cities and

towns along the three arterial highways leaves much to be desired and the situation is complicated. Of all criminal cases discovered across the province, 80 percent were committed in these cities and towns, showing the related situation is grim and complicated.

The meeting pointed out that in the second half of the year, in the third quarter in particular, the 12-character principle of taking effective measures in line with actual conditions in an effort to achieve practical results must be carried out. The policy of dealing heavy blows against criminals must be pursued without the slightest hesitation, but the ways to enforce the policy and related strategy should be flexible, varying from case to case and place to place. We must direct attention to key cases, properly alternate tension with relaxation, and try to achieve practical results.

All localities should try to crack a number of major, formidable, and difficult cases proceeding from actual conditions and by amassing necessary police force.

The meeting stressed that in accordance with the directives issued by the central authorities and local actual conditions, special efforts should be presently made to achieve successes in the following task.

We must carry out in depth the movement to severely punish criminals without mercy and take an effective grasp of the struggle against three special types of cases. First, we must launch the second unified drive province-wide to crack down on those who illegally manufacture, traffic in, and store guns and ammunition [words indistinct] so as to effectively reduce armed robberies and murders. This struggle is of great importance. We must take strong measures against armed robbers. Those who surrender their guns of their own accord should be dealt with leniently but those who refuse to do so must be harshly punished. Those habitual offenders manufacturing and trafficking in firearms should be prosecuted severely and quickly according to law. In this struggle, we must not withdraw our forces until complete victory. Second, we must wage a struggle against theft within state-owned and collectively owned enterprises and improve those enterprises' innate security systems. Third, we must continue to carry out the struggle against pornography and seven vices in Haikou, Sanya, and in those cities and towns along the three main lines of communication. At the same time we must continue to improve social order in a comprehensive way, earnestly examine and prosecute a few public security officers who violated the law and discipline, and take effective measures to strengthen the contingent of public security police. [passage omitted]

Guan Guangfu Inspects Hubei Flood Areas

HK1207060791 Wuhan Hubei People's Radio Network in Mandarin 1130 GMT 11 Jul 91

[Excerpts] From 7 to 10 July, provincial party committee Secretary Guan Guangfu, together with responsible members of departments concerned under the provincial party

committee and government, came from (Hanfang) to grain- and cotton-producing Tianmen, (Tiantao), Qianjiang, and Gonggan Counties—the last being where the Jing Jiang diversion project is situated, to inspect the state of floods and extend sympathy and solicitude for the cadres and the masses in the disaster areas. [passage omitted]

In the course of inspection, Guan Guangfu said: Fighting floods is an overriding task for the present. All levels of party organizations, government departments, and the broad ranks of cadres and people must brace their spirits, fight floods in unity and in an overall way, and carry the struggle through to the end.

From 30 June to 10 July, most areas in Jingzhou registered 500 millimeters of rain. The prefectural party committee, administrative offices, and all levels of party organizations and governments throughout the prefecture sent 35,000 office cadres, including a large number of veteran comrades who have retreated to secondary positions, to rural areas to fight floods along with the peasants in disaster areas around the clock braving wind and rain.

Guan Guangfu spoke highly of the struggle against floods waged by the cadres and masses in Jingzhou Prefecture and the indomitable spirit displayed by them in the struggle. [passage omitted]

Guan Guangfu said on another occasion: At present, torrential rains are continuing. Many localities have been hit by serious floods. Leading comrades of all levels of party committees and governments should teach the cadres and masses to brace their spirits and increase confidence. By setting an example, they should influence and lead the masses to carry the struggle against floods through to the finish. In the face of immediate great difficulties, we must not lose sight of favorable conditions for us to conquer natural disasters. The party Central Committee and State Council are concerned with the people of disaster areas. Our country enjoys the capability to help the masses overcome their difficulties. The bumper harvests last year laid a sound foundation. When we have enough food, we will not get alarmed in the face of disasters. Jingzhou Prefecture is a grain- and cotton-producing region. It occupies a decisive position in the province. The fight against floods in Jingzhou is a matter concerning not only Jingzhou but also the security of the whole flatlands along the Chang Jiang and Hanshui He and of Wuhan. So long as we persist in steam and have full confidence in winning the final victory, we are bound to overcome any difficulties and come off with flying colors. [passage omitted]

Hubei Flooding Kills 120, Injures 1,800

OW1207122791 Beijing XINHUA in English
1205 GMT 12 Jul 91

[Text] Wuhan, July 12 (XINHUA)—At least 120 people have been killed and 1,800 others injured in severe rainstorms over the past ten days in central China's Hubei Province.

Preliminary statistics show that over 1.33 million ha of farmland have been submerged and over 333,000 ha have been totally destroyed.

In addition, over 900 bridges and 1,000 culverts have been damaged.

"The flood situation is becoming more and more serious," provincial officials said here today.

In Wuhan, the provincial capital, the water level of China's biggest river—the Yangtze—had risen to 26.92 m, 0.62 m above the warning margin, at eight o'clock this morning, the officials said.

They said that the water levels of all rivers, lakes and reservoirs in the province have risen to critical points, as the average rainfall exceeded 300 mm in the period from June 29 to July 10.

Over 60 counties and cities have suffered seriously. The accumulated rainfall has reached over 800 mm in nine counties and cities, including Wuhan and more than 1,000 mm in some other areas.

Tens of millions of people in a dozen cities, including Wuhan, and tens of millions of ha of farmland would be in danger if the Yangtze River overflows, the officials warned.

Since July 8 the water level of the river at Wuhan has risen by two meters because of flood waters from Sichuan and Guizhou Provinces and other areas on the upper reaches of the Yangtze.

About nine million local residents and People's Liberation Army soldiers have been organized to prepare day and night against possible floods.

The rainy season this began, almost one month earlier than usual, causing flooding in 18 provinces. [sentence as received]

It was reported that 1,270 people have been killed so far. There is accurate estimates of economic losses which are still soaring in the 18 provinces affected.

In Jiangsu and Anhui, alone, the two worst hit provinces in east China, more than 75 million people or nearly 70 percent of the total population were reported to have been affected and nearly two million people rendered homeless.

China yesterday officially appealed to the international community for urgent assistance.

Hunan Suffers Floods in North, Drought in South

OW1307162691 Beijing XINHUA in English
1349 GMT 13 Jul 91

[Text] Changsha, July 13 (XINHUA)—Torrential rains and floods have killed 101 people in the northern part of central China's Hunan Province since June 30 while severe drought in the southern part has left hundreds of

thousands of hectares of rice paddies bone-dry and more than 600,000 people thirsty.

According to the local civil affairs department, material losses suffered by the farmers may have gone well over 800 million yuan.

Thirteen days of almost continuous heavy rains have swollen the Lishui and Yuan Shui rivers in the northern part of the province as well as the Dongting Lake.

Flooding has affected 813,600 ha of farmland and trapped 11.24 million people. It also injured 2,640 people and rendered 160,000 others homeless.

Part of the Dongting Lake Dam was blown up July 10 to relieve the flood pressure. The Zhicheng-Liuzhou railway line has been put out of action once again.

Many roads have been washed away and many factories, water conservancy and posts and communications facilities, and schools severely damaged.

The provincial authorities have mobilized 1.01 million people in the area of Dongting Lake to protect the lake's dykes.

In the southern part of the province, however, severe drought has affected 54 counties and 560,000 hectares of paddy rice. More than 10,000 hectares of rice paddies have dried up and more than 600,000 people find it difficult to get drinking water.

Commentary Urges Lifting of Trade Restrictions

OW1107223891 Beijing Central People's Radio
in Mandarin to Taiwan 1500 GMT 10 Jul 91

[Station commentary: "It Is High Time To Lift Restrictions"]

[Text] According to recent Taiwan press reports, half of the products sold on the stalls of fish vendors in Taipei come from Mainland China. Regarding the longstanding controversial issue of importing black melon seeds, Taiwan's Council of Agriculture has proclaimed that they can be imported freely effective 1 July.

It is understood that the varieties of goods exchanged across the Taiwan Strait have now topped 10,000. Cross-strait exchanges have not only increased but their quality has improved substantially. Although Taiwan has not yet formally lifted the ban on imports by its factories and businesses of semifinished products, components, and parts from the mainland, mainland-made semifinished products, components, and parts have flooded Taiwan markets. They range from traditional goods to electronic and communications equipment. Capitalizing on cheap labor in Mainland China, Taiwan businessmen have shipped local raw materials to the mainland for processing and then shipped the processed products back to Taiwan for assembly. Some of the mainland's semifinished products and raw materials sell for half the price of their Taiwan counterparts. For instance, one yard of 44-inch corduroy sells for as much as 60 new Taiwan dollars, but the same fabric imported from the mainland sells for only 30 new Taiwan dollars per yard, including taxes and shipping charges.

The two sides of the strait have undergone great political and economic changes. Because of the mutually complementary and beneficial nature of cross-strait economic exchanges and trade, the people have constantly advanced such exchanges, leading to today's new situation. Businessmen on the island generally believe that insistence on the three no's and opposition to the three exchanges by local authorities have disrupted and obstructed further expansion of exchanges across the strait. Aside from inflicting great economic losses on the people, such moves are extremely unfavorable to the cause of peacefully reunifying the country.

The five principles for promoting further economic exchanges and trade across the strait put forward recently by Mainland China's Ministry of Foreign Economic Relations and Trade have met with general approval among Taiwan businessmen. However, the Mainland Affairs Council of Taiwan's Executive Yuan recently released statistics claiming that 50 to 60 percent of Taiwan-invested ventures in the hinterland in Mainland China are losing money, and that 60 percent to 70 percent of those in coastal areas in southeast China are unprofitable. It is doubtful that the statistics conform to objective realities. Taiwan businessmen want to make money when they invest in or conduct economic exchanges and trade with the mainland. If so many businesses had suffered losses,

economic exchanges and trade across the strait would not have developed to today's stage. Hence, it can only be said that the statistics on losing businesses are but signals issued by the Taiwan authorities to lower the heat because they want to avert overheated economic exchanges and trade across the strait.

In the past three years, over two million compatriots from Taiwan have gone to the mainland to visit relatives, make sightseeing tours, and conduct business. Relevant departments estimate that indirect trade across the strait will reach \$10 billion this year, accounting for about two-thirds of trade volume between Taiwan and the United States. If this fast-evolving trend persists, the three no's policy upheld by the Taiwan authorities will encounter enormous pressure and challenges. It is high time to lift man-made restrictions.

Article Reviews CPC-Kuomintang Relations

HK1107112991 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 4 Jul 91 p 5

[Article by Zhang Yimin (1728 0076 3046): "'Seeking Common Ground While Reserving Differences' and 'One Country, Two Systems': Philosophical Reflection on Kuomintang-CPC Cooperation in History"—first paragraph is RENMIN RIBAO editor's note]

[Text] Zhang Yimin's article "'Seeking Common Ground While Reserving Differences' and 'One Country, Two Systems'—Philosophical Reflection on Kuomintang-CPC Cooperation in History" will be published in the third issue of TONGYI LUNTAN [REUNIFICATION FORUM] this year. Its excerpts are as follows:

"Seeking common ground while reserving differences" is an important ideological principle of the CPC for handling united front affairs; "one country, two systems" is the current strategic concept for accomplishing the great cause of national reunification. The former is the theoretical groundwork and guiding principle for the united front; and the latter is the model and action guideline for national reunification. The combination of the two things forms a major policy decision for correctly handling affairs concerning the motherland's reunification.

The Chinese Kuomintang [KMT] and the CPC are the two largest political groups in modern and contemporary China. They have been holding different doctrines and programs for transforming China by proceeding from the interests of the classes they represented separately and have thus been involved in consequent contradiction and struggle. Although the two parties are two political groups that represent different class interests, their members are all members of the Chinese nation, and their contradictions are internal contradictions in a country or in a nation. That is to say, their contradictions and struggles are marked by their common desire for national reunification and unity, which is in the interest of the whole nation. This was also the common foundation for the two party's two rounds of operations over the

past decades, and this now provides the precondition for the two parties' third round of cooperation.

The process of the previous two rounds of cooperation and division between the KMT and the CPC has shown that KMT-CPC relations constitute a major factor that will affect and decide the destiny and future of our nation. If the two parties cooperate, the whole nation will benefit and prosper; if the two parties break up, the whole nation will be harmed. Therefore, people on both sides of the strait hope the KMT and the CPC will forge their third round of cooperation and regard this as something related to the nation's supreme interests. As the representative of a certain class and as a political group, a political party certainly needs to be responsible to the class, social strata, and the masses with whom it has connections. However, it is more important to be responsible to the highest interests of the whole nation and the entire people. So both parties should cast aside their narrow party interests and attach importance first to the common interests of the whole nation; and should cast aside their old scores and give top priority to their greatest national obligations, thus making contributions to the motherland's reunification and national unity.

History has long shown that KMT-CPC cooperation will not only be beneficial to the whole nation and the entire people, but will also bring about new opportunities for their own progress and development.

Fundamentally speaking, the CPC's victory in leading China's Democratic Revolution and the KMT's failure on the mainland can only be interpreted from the point of whether or not their pre-1949 lines and policies were in keeping with the historical requirements of the nation, with the trend of the times, and with the interests of the people.

The previous cooperation and division of the two parties has also demonstrated a truth. That is, seeking common ground while reserving differences and upholding democracy constitutes the foundation for national prosperity; on the contrary, clamping down on dissidents in order to keep unity and keeping autocratic dictatorship can lead to the aggravation of antagonism and cause division.

The two sides of the Strait have been divided for more than 40 years. It is fortunate that both the CPC and the KMT insist on the principle of one China, acknowledge that Taiwan is part of China's territory, and oppose the concept of "two Chinas" and any form of "one China, one Taiwan" and "Taiwan independence." This reflects the patriotic position of the Kuomintang authorities, and is also the political cornerstone for the two parties' new cooperation.

Then, why did the two parties fail to cooperate in realizing national reunification over a long time although they both held the common desire for reunifying the motherland and there was the foundation for their cooperation? The crux lies in the unsettlement of the question of "who is co-opting and incorporating whom." The CPC has been the initiator of the previous rounds of KMT-CPC cooperation. This time, in view of the changes in the objective situation, the CPC put forth

the conception of "one country, two systems" for the proposed third round of KMT-CPC cooperation, and this is the best option for solving the difficult question of "who is co-opting and incorporating whom."

In order to put the concept of "one country, two systems" into practice, the key lies in properly handling the relationship between "seeking common ground" and "reserving differences." They are two opposite sides of the whole, so they are mutually complementary. In the united front, "seeking common ground" is the premise and foundation, and is also the target requirement; "reserving differences" is the condition for "seeking common ground." That is, no effort can be made to seek common ground if this condition does not exist. However, the condition should serve the purpose of seeking common ground and should be favorable to the consolidation and maintenance of the common ground. The concept of "one country, two systems" reflects the profound idea of seeking common ground while reserving differences. "One country" is the fundamental goal of the common ground to be sought, and represents the highest interests of the nation; while "two systems" constitute the expression form of reserving differences and the basic condition for realizing reunification on the basis of recognizing the differences between the two sides. In short, the common ground to be sought is the goal of "one country," and the differences to be reserved are the coexistence of "two systems." While both sides share the common ground, how to reserve differences will become an important link for keeping the common ground.

As for "one country, two systems," CPC leaders have talked about it many times. In my view, its basic spirit can be summarized into four phrases, namely, acquiring a good understanding of history, facing squarely the reality, acknowledging differences, and being united in forging ahead. Acquiring a good understanding of history mainly means that the different social systems taking shape on the two sides of the strait over the past decades should be recognized, and the mainland and Taiwan will continue to practice their own doctrines and systems after peaceful reunification, with neither side swallowing up the other. The two sides can make use of each other's advantages to offset their own shortcomings in peaceful coexistence and can seek development through competition.

Facing the reality squarely means that each of the two sides will proceed from maintaining its status quo, and both the KMT and the CPC will exist side by side for a long time, will practice democracy, and will supervise each other. There will be independent judiciary on each side, and Taiwan will continue to keep its own armed forces and manage its party, government, and military structures on its own.

Acknowledging differences means that Taiwan will, proceeding from its current conditions, continue to develop production under the existing economic system, keep the people's lifestyle unchanged, and keep its foreign economic and cultural relations intact. The state will guarantee private ownership over property, real estate, land,

and enterprises and legal inheritance rights, and will also guarantee foreign investment. The Taiwan people's standard of living will not be lowered after reunification.

As for being united to forging ahead, this means that both the CPC and the KMT will draw a lesson from their own experience, will discard their old scores and bury the hatchet for ever, and will become united and look ahead and make joint efforts to build new China which is generally united, unified, peaceful, democratic, and prosperous. All people who support national reunification should promote the KMT-CPC cooperation according to the principle of seeking common ground while reserving differences.

The concept of "one country, two systems" not only reflects the Chinese nation's glorious tradition of patriotism over the past several thousand years in building a unified country and always opposing division and safeguarding unification, but also reflects the current objective realities in both the Chinese mainland and Taiwan and the requirements of the compatriots on both sides. It is a correct way to reunify the motherland, promote economic prosperity, and regenerate the nation. Compatriots on both sides of the Strait have a deep conviction that the concept of "one country, two systems" will certainly come true, and a new path to build new China will certainly be found through peaceful coexistence, competition, and common development. The pattern of keeping major common ground while reserving major differences will then be replaced with the pattern of keeping major common ground while just reserving minor differences.

Through reviewing the past and looking into the future, people have every reason to feel optimistic about the third round of KMT-CPC cooperation and the prospects of national reunification: First, KMT-CPC cooperation reflects the common national interests in the process of history, and the two-party cooperation and the national unity provides the whole nation with bright prospects. Second, KMT-CPC cooperation represents the common wishes and demand of the compatriots on both sides of the strait, and the people ardently hope to terminate the unfortunate situation of national division. Third, the CPC has taken the lead in actively initiating cooperation and reunification, and has put forth a series of correct proposals and policies. The Taiwan authorities have also adopted the policy for opening exchanges to a limited degree, which is still worth welcoming, and have also moving things in the orientation of "seeking common ground."

Compatriots on both sides of the strait are ardently hoping that the KMT and the CPC will come to the negotiating table at an earlier date to start their talks on equal footing and to realize peaceful reunification.

Independence Activities Termed 'Hidden Danger'

OW1307163691 Beijing XINHUA in English
1155 GMT 13 Jul 91

[Text] Beijing, July 13 (XINHUA)—The revival of the activities for the "independence of Taiwan" constitute a serious hidden danger to Taiwan authorities and to the efforts to realize the country's reunification, said Jia Yibin, vice-chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang.

During a recent interview with XINHUA, Jia said that the resurgence of the activities for the independence of Taiwan on the island is inseparable from the Taiwan authorities.

Although the Taiwan authorities asserted that they will deal with the activities according to law, Jia stressed, the policies they are pursuing have provided the opportunities for the return of such activities and what they are doing has in effect served as an instigation.

The Kuomintang authorities have gone so far as to attribute the rampant independence activities to the policy of Chinese Communist Party to narrow the international living space for Taiwan, Jia said, adding that this shows that the Taiwan authorities do not only tolerate the independence activities but also are suspected of being indulged in the mutual protection and mutual use with the elements advocating Taiwan independence.

Jia urged the Taiwan authorities to see clearly the danger of the activities and the people who control it behind the scenes and adopt measures to check their spread.

'Political Entity' as Means to 'Dual Recognition'

OW1407020091 Beijing BEIJING REVIEW
in English No. 27, 8-14 Jul pp 32-34

["On Taiwan Authorities' Program" by Wu Daying, Director of the Political Science Research Institute under the Chinese Academy of Social Sciences]

[Text] The Taiwan authorities' attempt to join the international community in the capacity as an equal "political entity" with the People's Republic of China and seek diplomatic "dual recognition" is contradictory to their public propositions for one China.

In February of this year, Taiwan's "State Reunification Commission" adopted the "programme for state reunification" as "the highest guiding principle for future mainland policy." The "programme" advocates that there is only one China and sets forth an idea for the reunification of the motherland. Although this "programme" was welcome, there were quite a few points in it that are not positive. The proposal of "not negating the other party's status as a political entity" is one such unacceptable idea.

Over the past few years, although some Taiwan scholars have advocated that the two sides could act within one China as a "political entity" and establish diplomatic

relationship respectively with other countries, this is the first time that a statement about the mainland and Taiwan "not negating the other party's status as a political entity" has appeared in a formal document of the Taiwan authorities. What is behind this proposition and what would be the consequences if such an idea were put into practice?

The Meaning of "Political Entity"

To answer these questions, it is necessary first to clarify the concept of "political entity." The salient feature of the concept of a "political entity" is that it is indistinct and elastic. As a political and legal term, the word "entity" is seldom used and the phrase "political entity" is even less used. For example, these two words are not included in the political and legal sections of *YUN-WU SOCIAL SCIENCE DICTIONARY* published in Taiwan, nor can they be found in the *ENGLISH-FRENCH-CHINESE INTERNATIONAL LAW DICTIONARY* also published in Taiwan.

According to *BLACK'S LAW DICTIONARY*, "entity" refers to a sort of objective existence recognized by law and covering a wide area, ranging from immovable property to government units. That is a definition in the broad sense. To further reduce the scope, as seen from the vantage point of international law, the *DIGEST OF INTERNATIONAL LAW* published by the U.S. State Department says on the first page in its first volume, "International law is the standard of conduct, at a given time for definition states and other entities subject thereto." Here, entities and the state are juxtaposed as the main body of international law, that is, of an international personality. In the practice of international relations, for example, the United Nations and Vatican are called the "international entities" (page 583, Volume I of the *DIGEST OF INTERNATIONAL LAW*). Countries which cannot fully exercise their sovereign rights because of belligerency and insurgency are also called "entities" (op. cit. page 41). To sum up, intact countries which cannot fully exercise their sovereignty for various reasons or areas having an international personality can also be called "entities."

To cap "entity" with the word "political" gives it the added colour of a sovereign state. I provide the following two examples. In December 1948, when the United Nations Security Council discussed Israel's application for the UN membership, the United States' deputy representative used the concept of "political entity" in his speech. He said that a political entity whose application could be taken into consideration "must be a state" (ANNOUNCEMENT OF THE U.S. STATE DEPARTMENT, No. 493, December 12, 1948). Conversely, if a political entity is not a state, its application cannot be taken into consideration. In 1960, the court decision of the U.S. Court of Appeals for the District of Columbia Circuit in the case of *Rogers v. Cheng Fu Sheng and Lin Fu Mei*, called Taiwan a "political entity." The verdict says, this "political entity" of Taiwan contains "a government... which has undisputed control of the island,"

and is, therefore, a "state." Here, I will not refute this inappropriate wording as it is sufficient to understand the logic of the case solely in order to master the meaning of "political entity": If a "political entity" does not contain such a government as Taiwan's, then it is not a state. Evidently, a state is of course, a "political entity," while a "political entity" may be, or may not be, a state.

The Motive

The so-called "not negating the other party's status as a political entity on a mutually beneficial basis" is a tantamount to saying that just as Taiwan does not negate the mainland's status as a "political entity," so, the mainland, should not either negate Taiwan's status as a "political entity." This statement should be studied from two aspects.

On the one hand, it can be said that there has been some progress in the Taiwan authorities' stand. The People's Republic of China has existed for 40-odd years on a territory of 9.6 million square kilometres, and has been recognized by the overwhelming majority of countries around the world. The Taiwan authorities' statement in a formal document that they "do not negate the other party's status as a political entity" indicates their acceptance of this reality. Of course, this is only a small step because, at all, the "programme" has not clearly defined what sort of "political entity" it is.

On the other hand, with regard to Taiwan's demand that the mainland not negate its status as a "political entity," it is necessary to make a detailed analysis. The People's Republic of China has a central government and local governments which in turn are subdivided into provincial, autonomous regional, and municipal governments, and into the governments at various levels under them. In addition, there will be the governments of the Hong Kong and Macao special administrative regions. Viewed from the perspective of political science, every government therefore can be called a "political entity." It can be said that China is a large "political entity," within which there are a number of "subsidiary political entities." Shanghai is a "political entity," as is Inner Mongolia, as well as Taiwan. In this sense, the mainland has long regarded Taiwan as a "political entity."

However, the demand of "not negating the other party's status as a political entity" raised in the "programme" is that Taiwan should be recognized as a state in the international community, enjoying the status described as the main body of international law. In the "programme," the term "equal" is an attractive wording. The "Foreword" regards "equality" as the prerequisite for reunification and Part III reiterates "equality" as the principle for reunification. What is the meaning of "equality"? In the discussion on the "programme," officials from Taiwan's "state Reunification Commission" said that the first step necessary is the "mutual recognition of sovereignty not involving the other party" and the "mutual recognition of each other's equal status as a political entity." As to what aspects should be "Equal," the "programme" said in the fourth point of the

first stage that the two sides across the Taiwan Straits should "respect and not exclude each other in international relations." If Taiwan could act as an equal "political entity" to the People's Republic of China in international relations, it would be able to establish official relationships with other countries, to join international organizations and to acquire diplomatic "dual recognition." This, in effect, is the real intention of the "programme."

Particularly noteworthy is that the "programme" puts the statement "not negating the other party's status as a political entity" in a significant and special position. The "programme" divides the process of reunification into three stages—short, medium, and long-range. According to its logical structure, these three stages proceed step by step in sequence. The preceding stage can enter the next stage only after the preceding steps are realized. The demand for "not negating the other party's status as a political entity" is placed at the top of the first stage whereas the parts concerning the exchange of mail, trade, and air and shipping services, which people of the two sides across the Straits have long been hoping for, and issue of top-level mutual visits vital to establishing links between both sides are placed in the second stage. Such arrangements mean that if the People's Republic of China does not recognize Taiwan's equal status as a "political entity" in international relations, the exchange of mail, trade and air and shipping services, and mutual visits to occur during the second stage and reunification to be achieved through consultation in the third stage will be out of the question.

It is not hard to see that the Taiwan authorities have taken great pains in recent years to strive for international status. They have changed from their rigid policy of "you advance when I retreat" to a relatively elastic "pragmatic diplomacy" and, as well, from a proposition of "one country, two governments" and "one country, two regions," to the present "one country, two political entities." Although their tactics have changed, their train of thought is consistent. They evade the prerequisite for the reunification of the motherland, striving for a legal status equivalent to a state in the international community and seeking diplomatic "dual recognition." This contradicts the principle under which the Taiwan authorities themselves recognize that there is only one China. It provides an opportunity for those who intend to create "two China," "one China, one Taiwan," "the independence of Taiwan," or those who want to perpetuate the division of the country. Obviously, this will only delay and even obstruct the process of reunification. At present, although the Taiwan authorities have announced their reunification goal to the world, they have not given up practices which retard the progress towards this goal. Isn't this contradictory?

Contrary to the International Law

"Not negating the other party's status as a political entity" is a proposition contrary to the basic tenets of international law. A country can have only one legal

government which acts as its representative in the international arena and which exercises sovereignty in its relationships with other countries. This is an indisputable and most important principle of international law which the United Nations, the most important international organization in the world, has abided by for decades. The present reality is that the People's Republic of China has gained increasing strength over the past 40-odd years since its establishment. Its government is recognized by 137 countries and the overwhelming majority of international organizations, and is China's sole and legal representative in the world. Under such circumstances, although the Taiwan authorities try their hardest to become a "political entity" equal to the People's Republic of China, this is by no means a pragmatic attitude.

The policy of the Chinese Communist Party is clear—to realize reunification of the motherland under the principle of "one country, two systems." Under this method, Taiwan can enjoy a high degree of autonomy in political and economic fields and keep its capitalist system unchanged. However, the practice of seeking diplomatic "dual recognition" which will lead to "two China," or "one China, one Taiwan" and thus hinder the great cause of reunification is absolutely unacceptable. The Taiwan authorities should set great store by the goal of reunifying the country and, in a practical attitude and in the spirit of mutual trust, begin taking some practical steps to realize as soon as possible the exchange of mail, trade, and air and shipping services, the start of top-level mutual visits and, through exchanges, enhance understanding between the two sides, thus bringing about the reunification of the motherland at an early date.

Roundup on Response to Mainland Proposal

HK0907141291 Beijing ZHONGGUO XINWEN SHE
in Chinese 0945 GMT 7 Jul 91

["Roundup" by reporter Lu Junjun (7120 8823 8823): "Taiwan Authorities Urged by Various Circles in Taiwan To Respond Promptly to Remarks by Responsible Person in China's Taiwan Affairs Office"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing 7 Jul (ZHONGGUO XINWEN SHE)—It has been a month since the responsible person from the party Central Committee's Taiwan Affairs Office issued a statement on the question of cross-strait relations and of peaceful reunification. The response from the island of Taiwan has been very enthusiastic as the media appealed with increasing intensity for the Taiwan authorities to consider seriously the "three-point proposal" presented by the CPC and to promptly respond to it.

Not a few people in the island maintained that the statement by the responsible person of the CPC Central Committee's Taiwan Affairs Office reiterated the CPC's consistent position on "one country, two systems" and on "peaceful reunification." It may be regarded as a sincere response of the CPC on the mode of China's

reunification. Several members of the "Legislative Yuan" indicated that this statement by the CPC has once again spelled out the framework of its latest policy on Taiwan and contributed to the ironing out of cross-strait differences.

Regarding the three concrete proposals presented by the CPC, it was widely maintained by people of all circles in the island that their concrete features reflected a growing pragmatism of the CPC's policy on Taiwan. Assistant Professor Shao Tsung-hai of Taiwan's Chengchi University pointed out that the three proposals did indeed contain features different from the previous ones. An article in the LIEN HO PAO noted the differences found in the statement: One is the indication that the CPC is willing to cross the strait in order to discuss the question of the motherland's reunification; two is the acceptance of the participation of other political parties and representative personalities to the talks.

Some "legislators" proposed opening up for exchanges as well as inviting top level CPC leaders to visit Taiwan in a private capacity. "Legislator" Lin Yu-hsiang believed that top-level exchange visits between the two sides could advance the stage two of the "National Reunification Program" to stage one; otherwise, Taiwan's decisionmakers in charge of mainland affairs would make mistakes in their policymaking if they do not understand the mainland. "Legislator" Ting Shou-chung claimed that exchange visits could reduce suspicions and promote mutual understanding.

The island's media pointed out that the statement by the responsible person of the CPC Central Committee's Taiwan Affairs Office reiterated the CPC's proposal on "party-to-party negotiations." Obviously, this CPC statement issued under the name of the CPC Central Committee's Taiwan Affairs Office sought direct talks between the Kuomintang and the CPC. This indirectly denied the Taiwan authorities' repeated calls for talks between "governments of equal standing" or "political entities."

All circles also widely approved the proposal on direct links for postal, air, and shipping services and trade as well as for two-way exchanges. "Legislator" Wang Chih-Hsiong pointed out that current restrictions imposed by the Taiwan authorities on direct exchanges have inflicted losses on Taiwan. "Legislator" Lin Cheng-chieh who recently pulled out of the Democratic Progressive Party noted that the current one-way exchange across the strait was extremely unfair. The Taiwan authorities should be fully prepared for a policy of "direct links for postal, air, and shipping services and trade" and should make a positive response.

Ch'iu Hung-ta, a research fellow of Taiwan's "National Reunification Association" stressed that the remarks by the responsible person of the CPC Central Committee's Taiwan Affairs Office that "we will definitely not ignore 'Taiwan independence'" are not casual statements. He hoped that the "Taiwan independence" elements will

not go overboard and jeopardize the security and welfare of the 20 million people of Taiwan.

Even though the Taiwan authorities have adopted a cautious and reticent attitude after reacting to the CPC's positive proposal with a comment: "Nothing new in the proposal and no comment," people from all circles and the media have all asked the Taiwan authorities to respond to the CPC statement. In an interview with a LIEN HO PAO reporter on 5 July, Tao Pai-ch'uan, Taiwan's "national policy adviser" and member of the "National Reunification Association," called on the Taiwan authorities to make a response to the "three-point proposal" of the CPC, maintaining that the two sides urgently need to carry out contacts, discussions, communications, and compromise at the moment. Scholars like Hsiang Nai-kuang and Pi Ying-hsien also asked the Taiwan authorities to consider the CPC's "three-point proposal" seriously and to make a prompt response to it. Taiwan's CHUNG KUO SHIH PAO published an editorial on 6 July saying: "Looking at the development of future situation, the time has indeed come for us to take precautions and make active preparations and planning for contacts or talks which have to be undertaken between the two sides across the strait."

Exchanges Between Shandong, Taiwan Increase

OW1307075791 Beijing XINHUA in English
0542 GMT 13 Jul 91

[Text] Beijing, July 13 (XINHUA)—Today's Overseas Edition of the PEOPLE'S DAILY [RENMIN RIBAO] reported that east China's Shandong Province signed more than 40 economic and technological cooperation contracts with businessmen from Taiwan during a recent trade fair held in the coastal city of Qingdao.

The contracts involved more than 80 million U.S. dollars of Taiwanese funds.

The signing of the contracts indicates a new era in economic exchanges between Shandong and Taiwan.

The first move towards increased exchanges took place in March this year when a symposium on economic relations and trade between Shandong and Taiwan was held.

In the first half of this year over 18,000 people from Taiwan, including 4,000 businessmen visited Shandong. Some 40 Taiwanese-funded enterprises were approved in Shandong during the period.

At the same time, 454 people from Shandong journeyed to Taiwan to visit relatives or to attend funerals. The figure represents nearly twice the number of people visiting Taiwan during the same period last year.

Xiamen Official Urges Cross-Straits Cooperation

OW0907213591 Beijing XINHUA in English
0638 GMT 9 Jul 91

[Text] Xiamen, July 9 (XINHUA)—A top Xiamen government official yesterday met here with the visiting members of the Foundation for Exchanges Across the Taiwan Strait, and called for cooperations in dealing with the problems confronting both sides of the strait.

Cai Mokai, secretary-general of the Xiamen government, asked the group to pass on a word to the Taiwan authorities and the army stationed on Quemoy [Jinmen] Island to stop shooting and shelling fishermen and ships from the mainland, and compensate for all the losses caused by such activities.

He also urged the Taiwan authorities to return to the Xiamen government as soon as possible the ship "Ying

Wang Hao (Eagle King)", its crew and all the smuggled goods which were seized by Xiamen customs on June 13, but were later forcibly taken to Taiwan by the Taiwan Navy.

Cai said that in recent years, some members of those underground societies in Taiwan have come to Xiamen, and participated in many illegal activities here. The secretary-general expressed the hope that the Taiwan police authorities will actively cooperate with the Xiamen public security organization as they crackdown on these gangsters.

He also urged the Taiwan side to make greater efforts to realize the direct exchange of mails, trades and air and shipping services at an early date.

Presently, Taiwan-funded enterprises in Xiamen are facing many difficulties because of the problems encountered due to limited communications, he added.

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16 July 1991

